



0000116652

Transcript Exhibit(s)

Docket #(s): S-03448A-01-0000

Exhibit #: S1, S2, S3, S4, S5, S6, S6A,
S7, S7A, S8, S9, S10

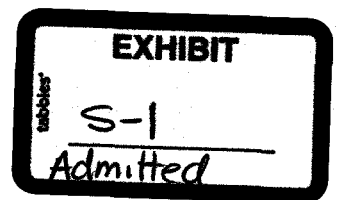
STATE OF ARIZONA

Corporation Commission



To all to Whom these Presents shall Come, Greeting:

I, VICTOR RODARTE, Assistant Director of Securities of the Arizona Corporation Commission, do hereby certify that I am a public officer having official duties with said Commission and having legal custody of the records of said Division and that I have caused to be made, under my direction, a diligent search of the records of the Securities Division of the Arizona Corporation Commission and said search discloses that during the period of June 1, 2001 to November 23, 2001, *Ron Fanzo* has not been registered with the Arizona Corporation Commission as a securities salesman or dealer pursuant to Article 9 of the Securities Act of Arizona (A.R.S. § 44-1941 *et seq.*); and has not made a notice filing or been licensed with the Arizona Corporation Commission as an investment adviser or investment adviser representative pursuant to Article 4 of the Arizona Investment Management Act (A.R.S. § 44-3151 *et seq.*).



IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 27th DAY OF November 2001 A.D.

BY

Victor Rodarte
VICTOR RODARTE, Assistant Director of Securities

CERTIFICATION OF REGISTRATION / NON-REGISTRATION FILE SEARCH VERIFICATION

RON FANZO

NAME OF INDIVIDUAL OR ENTITY
DATE OF BIRTH: 10/12/51 SOCIAL SECURITY NUMBER: [REDACTED]

AZ CORPORATION COMMISSION / SECURITIES DIV.

INDIVIDUAL OR AGENCY REQUESTING CERTIFICATE

TIME PERIOD OF SEARCH: FROM 6/2000 TO 11/23/01

ATTACH THIS COMPLETED FORM TO OFFICE COPY OF CERTIFICATE	RESEARCHER #1	RESEARCHER #2
<p>WEB CRD (searches the IARD simultaneously)</p> <p>-“INDIVIDUAL” and/or “ORGANIZATION” Search</p> <p>Always check an individual's Legacy Information. Registration records more than 10 years old may <u>not</u> be on an individual's Web CRD record. ALSO--Email or call the NASD re any “blank” records you get--it is likely the individual's registration record was archived if all you get is his “Composite” information or “Disclosure” record searching here. (Phone: 240-386-4205. Email address: statedesk@nasd.com.)</p> <p>-“INDIVIDUAL” and/or “ORGANIZATION” Disclosure Only Search</p>	<p><u>DL NEG</u> (CRD Individual / Organiz)</p> <p>_____ (IARD Organization)</p> <p>_____ (Disclosure Only Indiv / Org)</p>	<p><u>New AW</u> (CRD Individual / Organiz)</p> <p>_____ (IARD Organization)</p> <p>_____ (Disclosure Only Indiv / Org)</p>
<p>STAR * (<i>deselect</i> “Registered Only”)</p> <p>Searching by “Entity Name” will check all securities, dealers, investment advisers,** and no-action letters (<i>if you get a hit on a no-action letter, get the details on the No Action Letter database mentioned below</i>).</p> <p>Searching by “Contact Name” checks all non-NASD salesmen and investment adviser representatives.</p> <p>*If you get a hit on STAR for any file stamp-dated <u>prior to January 31, 2000</u>, double check the registration dates on the SEC/Dealer Query in the “view history” screen (not the first screen).</p> <p>**Check the “Financial” tab to determine whether it's a “State” (licensee) or “Federal” (notice filer) investment adviser.</p>	<p>_____ (Entity Name)</p> <p><u>DL NEG</u> (Contact Name)</p>	<p>_____ (Entity Name)</p> <p><u>New AW</u> (Contact Name)</p>
<p>NO-ACTION LETTERS database (in Securities Div Applications folder)</p>	<p><u>DL NEG</u></p>	<p><u>NEG AW</u></p>
<p>FORM D (PRE-1989) Green cards & microfiche indexing old Form D filings</p>	<p>_____</p>	<p>_____</p>
<p>KARDVEYOR (PRE-1986 filings) microfilm</p>	<p>_____</p>	<p>_____</p>
<p>REGISTRATION BOOKS PRE-1984 salesmen PRE-1984 inactive salesmen</p>	<p>_____ _____ _____</p>	<p>_____ _____ _____</p>

[Signature]
Signature of Researcher #1
11/27/01
Date

[Signature]
Signature of Researcher #2
11/27/01
Date

Matthew J. Neubert
(Signature required if information is located on the CRD / IARD)

Date

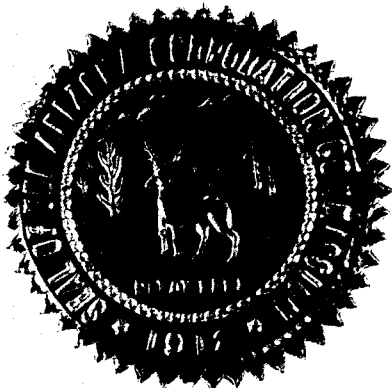
STATE OF ARIZONA

Corporation Commission



To all to Whom these Presents shall Come, Greeting:

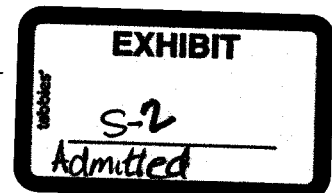
I, VICTOR RODARTE, Assistant Director of Securities of the Arizona Corporation Commission, do hereby certify that I am a public officer having official duties with said Commission and having legal custody of the records of said Division and that I have caused to be made, under my direction, a diligent search of the records of the Securities Division of the Arizona Corporation Commission and said search discloses that during the period of June 1, 2001 to November 23, 2001, *Intermarc* has not filed with the Arizona Corporation Commission a notice filing for securities pursuant to Article 4 of the Securities Act of Arizona (A.R.S. § 44-1841 *et seq.*) or Article 12 of the Arizona Investment Management Act (A.R.S. § 44-3321 *et seq.*); has not registered securities with the Arizona Corporation Commission by description as provided in Article 6 of the Securities Act of Arizona (A.R.S. § 44-1871 *et seq.*) or by qualification as provided in Article 7 of the Securities Act of Arizona (A.R.S. § 44-1891 *et seq.*); has not received an exemption from the Arizona Corporation Commission authorizing the sale of securities pursuant to the provisions of A.R.S. §§ 44-1846 or 44-1843.01(B), or R14-4-101, R14-4-102, R14-4-126, R14-4-135, R14-4-137, R14-4-139 or R14-4-140 of the Arizona Administrative Code; has not been registered with the Arizona Corporation Commission as a dealer pursuant to Article 9 of the Securities Act of Arizona (A.R.S. § 44-1941 *et seq.*); and has not made a notice filing or been licensed with the Arizona Corporation Commission as an investment adviser pursuant to Article 4 of the Arizona Investment Management Act (A.R.S. § 44-3151 *et seq.*).



AFF of nonfiling - entity

IN WITNESS WHEREOF, I HAVE HEREUNTO SET
MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE
ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN
THE CITY OF PHOENIX, THIS 27th DAY OF
November 2001 A.D.

BY Victor Rodarte
VICTOR RODARTE, Assistant Director of Securities



**CERTIFICATION OF REGISTRATION / NON-REGISTRATION
FILE SEARCH VERIFICATION**

INTERMARC / CASH FLOWS

NAME OF INDIVIDUAL OR ENTITY _____
DATE OF BIRTH: _____ SOCIAL SECURITY NUMBER: _____

AZ CORPORATION COMMISSION / SECURITIES DIV.

INDIVIDUAL OR AGENCY REQUESTING CERTIFICATE

TIME PERIOD OF SEARCH: FROM 6 / 2000 TO 11 / 23 / 01

ATTACH THIS COMPLETED FORM TO OFFICE COPY OF CERTIFICATE	RESEARCHER #1	RESEARCHER #2
WEB CRD (searches the IARD simultaneously) -“INDIVIDUAL” and/or “ORGANIZATION” Search Always check an individual's Legacy Information. Registration records more than 10 years old may <u>not</u> be on an individual's Web CRD record. ALSO —Email or call the NASD re any “blank” records you get—it is likely the individual's registration record was archived if all you get is his “Composite” information or “Disclosure” record searching here. (Phone: 240-386-4205. Email address: statedesk@nasd.com .) -“INDIVIDUAL” and/or “ORGANIZATION” Disclosure Only Search	<u>DL NEG</u> (CRD Individual / Organiz) _____ (IARD Organization) _____ (Disclosure Only Indiv / Org)	<u>NEG AW</u> (CRD Individual / Organiz) _____ (IARD Organization) _____ (Disclosure Only Indiv / Org)
STAR * (<i>deselect “Registered Only”</i>) Searching by “Entity Name” will check all securities, dealers, investment advisers,** and no-action letters (<i>if you get a hit on a no-action letter, get the details on the No Action Letter database mentioned below</i>). Searching by “Contact Name” checks all non-NASD salesmen and investment adviser representatives. *If you get a hit on STAR for any file stamp-dated prior to January 31, 2000, double check the registration dates on the SEC/Dealer Query in the “view history” screen (not the first screen). **Check the “Financial” tab to determine whether it's a “State” (licensee) or “Federal” (notice filer) investment adviser.	<u>DL NEG</u> (Entity Name) _____ (Contact Name)	<u>NEG AW</u> (Entity Name) _____ (Contact Name)
NO-ACTION LETTERS database (in Securities Div Applications folder)	<u>DL NEG</u>	<u>NEG AW</u>
FORM D (PRE-1989) Green cards & microfiche indexing old Form D filings		
KARDVEYOR (PRE-1986 filings) microfilm		
REGISTRATION BOOKS PRE-1984 salesmen PRE-1984 inactive salesmen		

[Signature]

Signature of Researcher #1

11 / 27 / 01

Date

[Signature]

Signature of Researcher #2

11/27/01

Date

Matthew J. Neubert

(Signature required if information is located on the CRD / IARD)

Date

1 STATE OF ARIZONA)

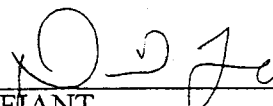
2 County of Maricopa)

AFFIDAVIT OF SERVICE

RECEIVED

2001 AUG -3 P 2:37

3
4 I, Special Investigator David Leifer, for the Securities Division of the Arizona Corporation
5 Commission, hereby certify that on the 3rd day of August, 2001 at 9:20 AM, I served a copy of
6 Temporary Order to Cease and Desist and Notice of Opportunity for hearing, Docket No. S-
7 03448A-01-0000, upon Intermarc Inc. at 13020 N. 96th Place, Scottsdale, AZ 85260, by: leaving a
8 copy with Ronald L. Fanzo, president of Intermarc Inc. who is over 16 years of age.

9
10
11 
12 AFFILANT

08/03/01
DATE

13
14 SUBSCRIBED AND SWORN TO BEFORE me this 3 day of

15 AUGUST 2001,

16
17 
18 NOTARY PUBLIC

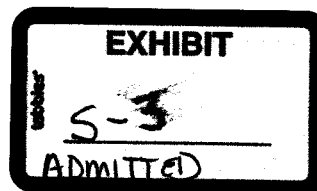
19 My Commission Expires:



Notary Public State of Arizona
Maricopa County
Alan C Walker
Expires September 10 2004



Notary Public State of Arizona
Maricopa County
Alan C Walker
Expires September 10 2004



Welcome to

CashFlows



Let's Profit Together.SM

We're now buying cashflows of all types... high dollar payout. If you have a cash stream to sell, please submit the particulars through the E-mail link below. We'll get back to you with a quote.

This website describes two ways to earn high interest with low risk.

Business Notes

Would you like the returns of mutual funds and stocks plus have the liquidity and safety of a pass book savings account?

Now there is a way for you to get the best of both worlds. With our business note investment program you can earn 30% APR on your money that's secured by business and promissory notes and can be withdrawn without penalty with a simple

30-day notification. CashFlows both sells and buys notes from other individuals and sources at a discount. These sellers are interested in lump sums of cash now instead of waiting for their monthly payments from the payors.

We purchase the notes using pools of investors' money. The value of the notes purchased is always more than 3 times the amount invested to acquire the notes.

For example, the value of notes purchased with \$2,500 would be more than \$7,500.

The notes are checked for credit worthiness, but more importantly, are purchased with full recourse... which means the seller of the note has an obligation to buy the note back or provide compensation in the event of a loss. In addition, your payments come directly from CashFlows and not from the note payor. This means you're never bothered or concerned about a late payment or a check that bounces.

Here's how it works:

After your investment is received, you are immediately sent a series of six checks and an investment agreement acknowledging the amount of your investment and your interest rate. The checks are dated monthly beginning 30 days from when your investment is received. Once you have deposited the 5th check, a series of six

30% APR

paid out
monthly
minimum
\$20,000
maximum
6-months
renewable

Managed Currency Accounts

by Giovanni Fleury Investments, Inc.

Giovanni Fleury Investments, Inc. offers investors professionally Managed Accounts that trade only in the spot foreign exchange market, also known as the cash currency market. Our Managed Account returns are not correlated with the stock markets or interest rates. Managed Accounts trading in the foreign currency exchange market have the potential to do well during all phases of the economic cycle unlike other asset classes, where profits depend solely on price appreciation. Opportunities to make profits exist in both rising and falling currency prices. We make a profit for our clients by buying and selling different currencies, electronically or by telephone through banks or currency dealers, daily. Profits are converted to US dollars and deposited in your account. A trade may be completed in a minute or several days. These managed accounts are handled only by the best and most seasoned professionals. If there is a profit in your account, you can select to have a portion or all of the profits sent to you by check or wire transferred into your bank account.

It's possible
to make
\$1,000 per week
for every \$5,000
invested.

Past & proforma
results do not
guarantee future
results.

To get complete information on Managed Currency Accounts, please click here or on the banner below.

Giovanni Fleury

EXHIBIT

S-4
Admitted

ACC00029

S-3448-A

additional checks will be mailed to you.

You can also elect to receive monthly wire transfers directly into your bank account at no cost. This continues until you notify us of your intention to withdraw your investment in full or partially. To withdraw any or all of your investment at any time, all you need do is send us a request stating the amount you want and the date you would like it. Your payments are fully assignable and transferable.

If you would like to be contacted about getting started in our note investment program, please send your name and phone number... or other preferred contact information using the E-mail link below.

E-mail

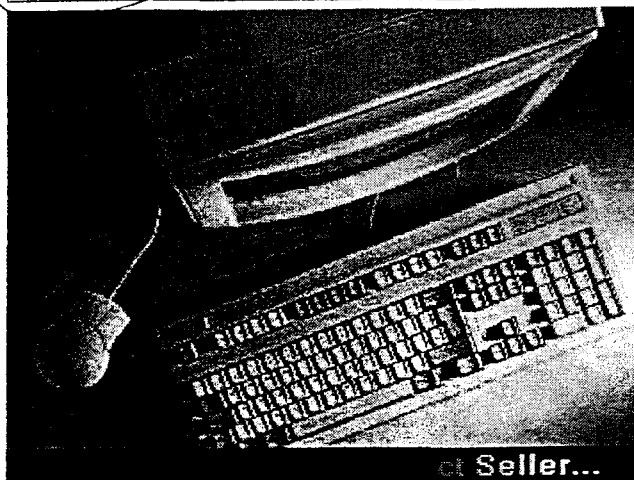


You can open an account, or view your account status from this website.

Copyright 2000. All Rights Reserved. CashFlows
Scottsdale, Arizona

ACC00030
S-3448-A

Home Program Success Products Apply Benefits Partner Resources Contact



Become a "Partner"
Make money as a "Partner"
by
promoting InterMarc's
program.
It's a great full-time or part-
time
business. You can make your
own... ~~Just click on the~~ Partner".

Get up to \$5,000 financing
for your E-business through
SOHO College Grants. Made
possible by E-BIZ in a BOX.

SOHO
COLLEGE
More
Info

Welcome to **InterMarc** and

The EzPC Total E-Commerce Success System

Where you can get a new computer and start or expand
a business on the Internet the easy way... with little or no
money down and affordable monthly payments.

The EzPC Total E-Commerce Success System
by InterMarc is the Net's most COMPLETE package.
It includes everything you need to start or develop an
online business. Starting with a new, top-quality
desktop or laptop PC... it has award-winning software,
comprehensive "how-to" guides, easy-to-use
resources and E-Commerce success systems to help
you grow and develop the home-based business of
your choice.

Begin Tour

Extra Benefits

- Quality Discount Healthcare Coverage.
- Guaranteed MasterCard.
- Free Vacation & Travel Packages.
- Online Credit Repair Assistance.
- \$100,000 Accidental Death Coverage.
- Gold Points Reward Card
- Free DirectTV Satellite & Receiver

The Program also includes:

- 50Mb E-Commerce Website
- Hewlett-Packard or Canon Color Ink Jet Printer
- Umax Flatbed Scanner
- Logitech Web Cam
- Your own toll-free voice messaging & fax number
- Free Product or Service Sourcing
- Free on-going support to help grow your E-Biz
- Free Software Packages

You can view and print our brochure and application
wherever you see this button:

BROCHURE

Turn on your speakers.
Stereo sound on this
website by Beatnik.



ETHICS
IN BUSINESS
OUR PROMISE TO YOU

InterMarc, Inc. subscribes to the
principles of the Direct Selling
Association's Code of Ethics.

Free Voicemail, Email & Fax.

plus a Free Local & an 800 Number for Life!

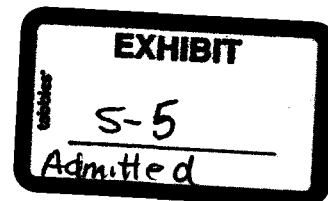
At this time, this offer is valid in the United States and Canada
only.

E-mail

Copyright 2000. All Rights Reserved. InterMarc,
Inc. EzPC is an InterMarc
This page last updated on Friday, December 29, 2000



Free from



ACC00020
S-3448-A

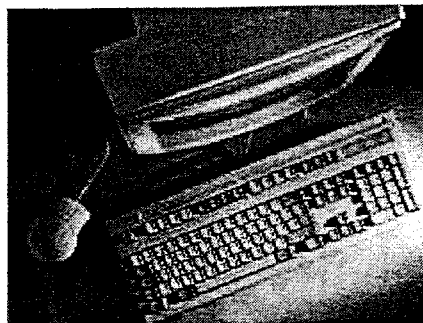
ZDNet

Computer Information
Center

For more on zero down
computers, click here.

ACC00021
S-3448-A

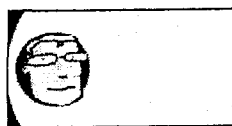
Home Program Success Products Apply Benefits Partner Resources Contact



Intermarc

Intermarc, Inc. is a Dun & Bradstreet listed company.

Intermarc, Inc.
7127 E. Becker Lane, Suite 90
Scottsdale, Arizona 85254
Toll Free: 1.866.262.4708
Efax: 1.413.581.0778
E-mail: info@intermarc-inc.com



Free from **HUMAN CLICK**

E-mail

BROCHURE

BEATNIK

Thank you test
link.

ACC00022
S-3448-A



Intermarc

The EzPC Total E-Commerce Success System
Become a Partner and build a REAL business

Help people start their own home-based businesses the Ez way.
Get a free Intermarc EzPC "Branchise" and create your own path to success.

Effective November

A real, genuine, solid business opportunity...

Forget about MLM and online schemes where there's no substance to the business... just numbers and gimmicks. This is a REAL business where you help deliver a service of REAL value... one that's highly desired by people from all walks of life... entrepreneurs, stay-at-home moms, moonlighters, students, shut-ins, and families looking to supplement their incomes and secure their futures.

FAQ's

BROCHURE

Earn \$350 for every closed

referral. Earn money just for referring people to this program. Promote this opportunity and you'll make \$350 for every referral that turns into a client. For every 5 referrals in one month that turn into clients earn an extra \$350 bonus. Earn one \$350 bonus for any 3 months of a 12 month period and qualify for corporate profit sharing.

An all-inclusive and complete package that keeps getting

better. Represent the Web's most complete package... everything from the computer to the software to the sources for quality products... absolutely everything anyone will need to build an online business is in this one-stop, one-shop, no money down program. And, it's a program which is continuing to grow and improve.

Offer a strong selling proposition of easily recognizable value...

Help individuals and entrepreneurs legitimately realize their goals of building a secure future for themselves and their families with a serious and solid business of their own.

Sell a high-quality product that no one is going to regret buying... a high-technology package that is absolutely second to none.

Help people who are credit-challenged and lack the capital resources to begin to take control of their financial destinies by rebuilding their credit and building a business of their own... one they can operate from the comfort and convenience of their home.

Marketing tools to propel your business

upwards. Get your own website similar to this one that you can promote in any legal way you wish.

Your own virtual office and toll-free voice mail and messaging center.

Do free and low-cost offline advertising to make your bank account grow.

Tap into our online resource center to help promote your business both online and offline.

A serious entrepreneur's dream...

The opportunity to build your own organization where you can earn overrides on sub-agents you hire in your area code... you determine what you pay them and how they work.

Earn substantial bonuses by achieving monthly productivity goals.

Own your own "branchise" territory that's tied to your area code... all business that comes from that area is yours!... plus you're free to prospect and market to the entire Internet.

Bonuses and benefits for you and your family...

Supplementary health care coverage for you and your family.

Get a complete Satellite TV system with receiver, remote and one month's free

ACC00023

S-3448-A

programr

Free vacation packages to 20 world-class resort destinations where all you pay is minimum room tax.

Your commissions are wire transfered directly to your bank account.

Make the move toward owning a REAL business...

Get your own protected branchise today . You'll have a search engine-friendly URL and website in less than 24-hours. Start making money right away and get paid as often as referrals are turned into clients or "branchisers"... everyday can be a payday!

Take the first step toward to creating your own path to success...

If you feel you're a quality individual with a good work ethic, and the desire to have more control over your financial well-being, your time, and your future... we'd love to have you join us. There is no cost to start today. Make something happen.


Apply Now...

Take a look at what our partners promote. You'll see it's a program that sells itself...

Email:	<input type="text"/>
Full Name:	<input type="text"/>
Company:	<input type="text"/>
Address1:	<input type="text"/>
Address2:	<input type="text"/>
City/State/ZIP:	<input type="text"/> <input type="text"/> <input type="text"/>
Area Code:	<input type="text"/>
User Name:	<input type="text"/>
Password:	<input type="text"/>
<input type="button" value="Submit to be a Partner"/>	

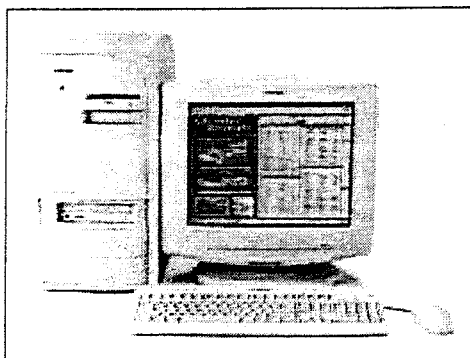
Begin Tour



Free from 

ACC00024
S-3448-A

Home Program Success Products Apply Benefits Partner Resources Contact



TOSHIBA Authorized Dealer

Intermarc

The EzPC Total E-Commerce
Success System

Intermarc EzPC is an authorized Toshiba
Retailer.

Standard and Deluxe Desktop
and Laptop Models.

A powerful high-quality computer from a name you can trust.

The Toshiba V3300 Desktop Personal Computer

Features:

\$89.99

Per Month for 36 Months

Actual prices may vary depending on
applicant's credit condition. Preferred
credit will reduce the amount of the
monthly payment.

You can get a NEW state-of-the-
art system any time after
24 months. This program allows
trade-in of your PC for credit
towards obtaining a newer
system. It's all part of giving you
an option for keeping your
technology as fresh as possible.

You get great Toshiba quality, service
and technical support for as long as you
have your system. Toshiba offers toll-
free help phone lines, around the clock
toll-free technical support and online
training... supplemented by EzPC
support and resources on software,
E-Commerce and website design.

800 MHZ Intel Pentium III Processor
128 K Cache
128 MB Ram
20.0 GB Hard Drive
1.44 Floppy Drive
48x Variable Speed CD ROM
Integrated 4MB Video Card
Socket 7 Processor Fan
AT Socket Motherboard
AT 104 Keyboard & Mouse
Game Port/Parallel Port/Serial Port/USB

The Toshiba V3300 comes with everything listed below:

17" Toshiba Tekbrite Color Monitor
Stereo Satellite Speakers w/Subwoofer
Integrated Sound Card w/ Audio System
K 56 V .90 Fax/Voice Data Modem
Parallel Cable
Hewlett Packard 842C Ink Jet Color Printer
Umax 2100 Flatbed Scanner
Logitech Digital Web Cam
E-Biz in a Box Software Bundle
Gaming Software Package
Family Reference Software Package
One Year Warranty Service

The Toshiba V3100 Desktop Personal Computer

Features:

\$74.50

Per Month for 36 Months

Does Toshiba make a great computer?
Consider that Toshiba not only makes
PC's... it builds and markets servers,
network systems, and components
which are built into PC's assembled by
brands like Compaq, Hewlett-Packard,
Gateway and Dell to name just a few.
These companies and services rely on
Toshiba engineering and performance.

566 MHZ Intel Celeron Processor MMX
128 K Cache
64 MB Ram
10.2 GB Hard Drive
1.44 Floppy Drive
40x Variable Speed CD ROM
Integrated 4MB Video Card
Socket 7 Processor Fan
AT Socket Motherboard
AT 104 Keyboard & Mouse
Game Port/Parallel Port/Serial Port/USB

The Toshiba V3100 comes with everything listed below:

15" Toshiba Tekbrite Color Monitor
Stereo Satellite Speakers w/Subwoofer

ACC00025
S-3448-A

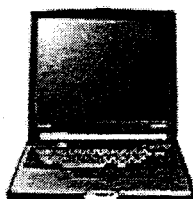
More about Toshiba Quality

Stereo Satellite Speakers w/Subwoofer
 Intergrated Sound Card w/ Audio System
 K 56 V .90 Fax/Voice Data Modem
 Parallel Cable
 Hewlett Packard 842C Ink Jet Color Printer
 Umax 2100 Flatbed Scanner
 Logitech Digital Web Cam
 E-Commerce Software Bundle
 Gaming Software Package
 Family Reference Software Package
 One Year Warranty Service

The Toshiba Satellite 2800 Laptop Computer

\$94.50

Per Month for 36 Months



650 MHZ Intel Celeron Processor
 64 MB SDRam
 6 Billion Byte Hard Drive
 8x Max DVD ROM
 13.3" TFT active display matrix
 Windows Millenium Edition
 Booming Subwoofer for full multimedia experience.
 K 56 V .90 Flex Modem
 Canon S450 Bubble Jet Color Printer
 E-BIZ in a BOX Software
 One Year Warranty Service

The Toshiba Satellite 2500XCDS Laptop Computer

\$85.33

Per Month for 36 Months

600 MHZ Intel Celeron Processor
 64 MB SDRam
 6 Billion Byte Hard Drive
 24x Max CD ROM
 13.0" Color Bright DSTN Display
 Windows98 Second Edition
 K 56 V .90 Flex Modem
 Canon S450 Bubble Jet Color Printer
 E-BIZ in a BOX Software
 One Year Warranty Service

BROCHURE

Continue

Free from **HUMAN ERROR**

ACC00026
 S-3448-A

Home Program Success Products Apply Benefits Partner Resources Contact



Funding to help grow your new E-biz.

SOHOcollege is a not-for-profit organization committed to assisting small office and home office (SOHO) businesses succeed on the Web. SOHOcollege demonstrates this commitment by donating money from its SOHO Scholarship Fund each month to SOHOs who exhibit strong business potential.

Each month, the foundation distributes a minimum of \$20,000 of its SOHO Scholarship Fund to business owners who have an existing web business or who are attempting to establish a web presence. Individual scholarships range between \$1,000 and \$5,000.

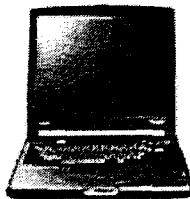
Scholarship recipients are selected by members of the SOHO Scholarship Committee. The Committee consists of:

Jeff Jochum, CEO, EBiz in a BOX
Eric Grevstad, Editor-in-Chief of Home Office Computing
Lisa Waddle, Editor-in-Chief of myBUSINESS (NFIB)
Laurie Ries, author
Paul and Sarah Edwards, authors

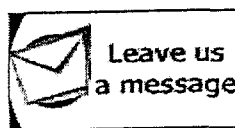
The founding sponsor of the SOHO Scholarship Fund is the company who created the original "E-BIZ in a BOX™" software, the premier e-commerce suite designed especially for non-technical businesspeople. Each month, SOHOcollege awards scholarships of between \$1,000-\$5,000 per business to no less than four E-BIZ in a BOX users. You could be one of them.

After you have opened your e-BIZ in a BOX site for business, you should consider submitting it for a SOHO Scholarship. E-BIZ in a BOX is designed to get you jump-started into a fully operational e-business web site in about 15 minutes... it's that Ez to use. To enter, select "Apply for SOHO Scholarship" in the Extras section on your site Administration Page (this comes with you E-BIZ in a BOX 50-meg website) and follow the simple directions.

There's an E-BIZ in a BOX
included with every Toshiba
Desktop and Laptop computer
ordered through InterMarc EzPC.



Copyright 2000. All Rights Reserved. InterMarc,
Inc.



Free from HUMAN CLICK

ACC00027
S-3448-A

ACC00028
S-3448-A

Important - do *not* complain to In.net on the grounds of anything you see here.

Address Digger Results

(Version 3.1beta)

Let's go!

Official name: intermarc-inc.com

(Aliases: www.intermarc-inc.com)

Addresses: 64.39.13.130

Whois for www.intermarc-inc.com

.com is the global domain of USA & International Commercial

(Whois queries for .com domains can be performed at <http://rs.internic.net/cgi-bin/whois>)

whois -h whois.crsnic.net intermarc-inc.com

Redirecting to TUCOWS.COM, INC.

Registrant:

Intermarc Inc
7127 E. Becker Lane
Suite 90
Scottsdale, Arizona 85254
US

Domain Name: INTERMARC-INC.COM

Administrative Contact:

Fanzo, Ron intermarc@ureach.com
7127 E. Becker Lane
Suite 90
Scottsdale, Arizona 85254
US
480-221-2364

Technical Contact:

Technologies, Ozenet tech@ozenet.net
PO Box 84
Scarborough, WA 6023
AU
0402183082

Billing Contact:

Fanzo, Ron intermarc@ureach.com
7127 E. Becker Lane
Suite 90

ACC00031
S-3448-A

Scottsdale, Arizona 85254
US
480-221-2364

Record last updated on 29-Dec-2000.
Record expires on 21-Dec-2001.
Record Created on 21-Dec-2000.

Domain servers in listed order:

<u>NS1.OZENET.NET</u>	<u>209.163.236.20</u>
<u>NS2.OZENET.NET</u>	<u>209.163.236.21</u>

[Sam Spade Home](#) © [Contact](#)

ACC00032
S-3448-A

ezpc718.cjb.net

Traceroute

3	<u>130.152.128.2</u>	3.976 ms	<u>usc-isi-atm.ln.net</u> [AS226] <u>usc/Information Sciences Instit</u>
4	<u>209.232.128.189</u>	12.404 ms	<u>uscisi-pbi-630375.cust-rtr.pbi.net</u> [AS567]
5	<u>206.13.29.205</u>	10.551 ms	<u>edge1-ge2-0.1san03.pbi.net</u> [AS5673] <u>Unknown</u>
6	<u>144.232.192.61</u>	11.27 ms	<u>sl-gw15-ana-6-0.sprintlink.net</u> [AS1790/AS1239] <u>sprin</u>
7	<u>144.232.1.217</u>	9.338 ms	<u>sl-bb22-ana-3-3.sprintlink.net</u> [AS1790/AS1239] <u>sprin</u>
8	<u>144.232.18.182</u>	13.735 ms	<u>sl-bb20-sj-5-0.sprintlink.net</u> [AS1790/AS1239] <u>sprint</u>
9	<u>144.232.9.214</u>	32.210 ms	<u>sl-bb20-tac-11-1.sprintlink.net</u> [AS1790/AS1239] <u>spr</u>
10	<u>144.232.18.42</u>	34.598 ms	<u>sl-bb10-sea-7-0.sprintlink.net</u> [AS1790/AS1239] <u>sprin</u>
11	<u>144.232.6.10</u>	33.112 ms	<u>sl-bb4-sea-0-0-0.sprintlink.net</u>

<http://www.samspace.org/t/lookat?a=http%3A%2F%2Fczpc718.cjb.net%2F>

7/27/01

TRADE NAMES / SERVICE MARKS

SECRETARY OF STATE BEYSEY BAYLESS

HOME**ELECTION SERVICES****BUSINESS SERVICES****PUBLIC SERVICES****Registered Name****Information Search**

Generated by TnT Names Search Version 1.03

Instructions**General Information**

File ID	220936
Description	Trade Name
Status	A
Name	INTERMARC MARKETING
Address 1	7127 E BECKER LANE
Address 2	STE 90
City	SCOTTSDALE
State	AZ
ZIP	85254-
Business Type	COMPUTER SALES & INTERNET MARKETING 602-735-8083
Domestic Begin Date	10/1/99

Agent/Owner Information

Type	Fullname	Address	City	State	ZIP	Phone
Owner	RON FANZO	7127 E BECKER LANE STE 90	SCOTTSDALE	AZ	85254-	

Registration Information

Received	Amended	Assigned	Expiration	Cancelled	Revoked
10/28/99			10/28/04		

Correspondence History

Description	Date	Printed	Filmed	Loc. No.	Page No.	Pages	Doc. Type
-------------	------	---------	--------	----------	----------	-------	-----------

©Copyright 2000 by Arizona Secretary of State - ALL RIGHTS RESERVED

Please email your comments or questions regarding this system to trades@mail.sosaz.com. We appreciate any feedback.**Disclaimer****ACC00035**
S-3448-A

This site has been disabled.

Please contact our customer service team at tech@kangaweb.com.au.

ACC00036
S-3448-A

<http://www.intermarc-inc.com/>

3/8/01

12 2 /

From: "Cash Flows" <cashflows@go.com>
 Sent: Thursday, January 04, 2001 9:55 AM
 Subject: Re: Investment Program
 Hi [REDACTED]

(REPLY #2)

Sorry to hear about the PC problems. They can be extremely frustrating and no fun at all.

I believe the website you're referring to is:
<http://flows.cjb.net> It's both a link and a separate effort from Internarc EzPC. Our success in our computer financing has attracted other concerns who are interested in offering their customers financing. Cosmetic procedures like breast enlargement, tummy tucks, facelifts, etc. are a good example. Doctors offer their patients these services on an installment plan and create a promissory note. We work with a network of brokers who are active in locating these types of deals. We then work with their clients in structuring financing for them as we've done for our own business. It's about 20-30% of what we do totally.

I'll fax the sample agreement tomorrow (Thursday) morning.

Thanks again for your interest and time.

Best Regards,

-----Original Message-----

From: [REDACTED]
 To: "Cash Flows" <cashflows@go.com>
 Date: Wed Jan 03 14:47:47 PST 2001
 Subject: Re: Investment Program

(EMAIL #2)

>Ron:

>

>I was on the road as well - thanks for the information. Please forward the
 >additional information. Is CashFlows an additional company or just a link. I
 >wanted to print that information for a friend and could not find the site
 >again? I have been struggling with my PC for weeks now.

>

>Look forward to the information.

>

>Thanks,

>

>[REDACTED]
 >[REDACTED]s

>FAX [REDACTED]

>

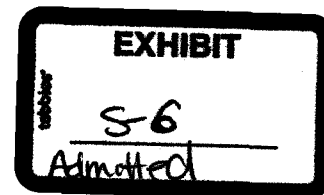
----- Original Message -----

>From: "Cash Flows" <cashflows@go.com>
 >To: [REDACTED]
 >Sent: Tuesday, January 02, 2001 12:12 PM

(REPLY)

#1

START ON
 PAGE # 3
 THEN
 PAGE # 1



ACC00001
 S-3448-A

>>Subject: Re: Investment Program

>>Hello [REDACTED]

>> Hope the Holidays were enjoyable for you, and the
>> New Year holds all the best in terms of health and wealth.

>> I had some Holiday traveling obligations to fulfill, so
>> I've only been able to get back to you now that they're behind us. I
> appreciate your interest in our project and your patience in waiting for
> this response.

>> As the post stated, we're seeking investors and are returning 30% APR
> interest on funds provided. We have structured our cashflow in a way where
> we are comfortable in accomodating invested funds in the amount of \$1,000 to
>> \$20,000. The return is paid out monthly via pre-dated checks or electronic
> wire transfers. We usually do each
>> transaction on a renewable six-month term.

>> Our project is a very unique one in that we offer a system for individuals
> and small businesses to obtain
>> a new, top-quality computer and either start or expand a business onto the
> internet. It's a complete turnkey package. There's a huge market for the
> program... trade

>> statistics report there are 40-60 million American households or
[REDACTED] businesses which are potential customers. The program is explained in detail
[REDACTED] our website: <http://www.intermarc-inc.com>

>> Since we're continually building the program and modifying our marketing
> strategies, the website is a work in progress. However, it should give you a
> better idea of what we do than I can probably relate in this e-mail.

>> Our use of the funds is divided largely between two applications:
> marketing and the purchase of equipment.
>> Understand that our primary market is in financing sub-prime (in terms of
> credit qualification) applicants.

>> Although we certainly don't turn down applicants with perfect credit,
> reportedly, nearly 75% of Americans now fall into the sub-prime category.

>> The success of our program is in how we finance our customers, and how
> we're able to minimize our risk in the
>> area of delinquencies and defaults. We do this by working with a number of
> financing sources ranging from small private investors to more formal
> finance, capital and liquidation firms who buy the promissory notes we
> create

>> when we close a sale. We typically sell our program at a price between
> \$2,500-\$3,500 approximately, and have a profit margin of 78%.

>> Due to this very high margin, we're able to sell our paper at attractive
[REDACTED] counts and still maintain a substantial profit. This is effectively how
> we return 30%

>> to our investors.

>> So, getting back to our use of funds; in many cases, before we can sell

ACC00002
S-3448-A

>our paper, we have to deliver
 >> the merchandise. Accordingly, we use investor funds to
 >> buy the equipment we sell. We then deliver the equipment and finalize our
 >> interest by selling the paper which supports the transaction. Our cost of
 >> goods per deal ranges between \$500 and \$800.

>>
 >> I also mentioned another use of funds being marketing.
 >> It is the plan to launch a national advertising program
 >> keyed mainly to offline media utilizing national magazines
 >> such as "Inc" and "Entrepreneur" to get the word out.
 >> You'll also notice if you visit the website that we have
 >> a new affiliate program, and we're beginning to sign-up regional
 >representatives to also bring a "grass roots"
 >> dimension to our marketing efforts.

>>
 >> We provide a written agreement to each investor and a schedule of payouts.
 >If based on what you've read here,
 >> you feel as though you might wish to proceed further,
 >> we can fax or efax a sample agreement for your review.

>>
 >> Additionally, if you have questions or require specific
 >> information, please don't hesitate to ask. You can of course e-mail; you
 >can also contact me via phone or voice mail at 866-262-4708.

>>
 >> You did ask about other investors. Please note that we agree to protect
 >> our investors privacy, however we do have an investor in Tucson who would
 >> probably be amenable
 >> to talking with you. His name is Christiaan Davidson and his number is
 >> 520-742-4581. You can also email him at:
 >> christiaandavidson@email.msn.com You might email him first and ask if it's
 >> OK to call... if you wish to call him. You can also e-mail Hector Ruiz of
 >> San Antonio at:
 >> otrtrucker@go.com, and Ted Burgess of Toronto at: tedburgess@altavista.com

>>
 >> Thanks again for your interest and query.

>>
 >> Best Regards,
 >> Ron Fanzo
 >> Intermarc, Inc.

>>
 >> -----Original Message-----

>> From: [REDACTED]
 >> To: cashflows@go.com
 >> Date: Thu Dec 28 10:00:43 PST 2000
 >> Subject: Investment program

>>
 >> Please forward information regarding the program. Do you have any contact
 >> information on other investors for reference.

>>
 >> >Fax [REDACTED]
 >> > [REDACTED]
 >> > [REDACTED]

(FIRST EMAIL)
 #1

REPLY
 #1

ACC00003
 S-3448-A

>> >Thanks,

>> >

>> >

>> GO.com Mail

>> Get Your Free, Private E-mail at <http://mail.go.com>

>>

>>

>>

>

GO.com Mail

Get Your Free, Private E-mail at <http://mail.go.com>

GO.com Mail

Get Your Free, Private E-mail at <http://mail.go.com>

ACC00004
S-3448-A

1/5/01

From: "Cash Flows" <cashflows@go.com>
 To: [REDACTED]
 Subject: Re: Investment Program

(REPLY
 IN
 PINK
 #3)

Hi [REDACTED]
 Sorry to have taken some time to get back to you.
 I had a couple of e-mails bounce back from qwest.
 I've attempted to answer your questions within your original message. Thanks again for your interest and time.

Best Regards,
 Ron

-----Original Message-----

From: [REDACTED]
 To: "Cash Flows" <cashflows@go.com>
 Date: Thu Jan 11 13:37:37 PST 2001
 Subject: Re: Investment Program

(EMAIL #3)

>Ron:

>

>Thanks for the info - sorry I didnt get back to you - been very busy.
 >Cosmetic procedures ?? interesting - never heard of that kind of program.
 >What other concerns are interested ?

ANSWER: Right now, we have a company which is interested
 in financing websites... along the lines of a complete package including development, marketing, hosting, etc...
 that wants to work with us on a consulting/referral basis.
 Reports say website financing is going to be a hot market as more companies move towards E-Business start-up and development.

I never heard from the investor in

>Tucson - I don't want to bother someone that doesnt want to be bothered - I
 >sent an email I believe a week ago. I understand your reasons for
 >protecting privacy.

ANSWER: Christiaan is usually easy to reach and is willing to accommodate queries about almost anything.
 He'll typically responds fast. You might try him again.

>Interesting web site/plan - an entire PC including bundled software is
 >offered for \$2500-3000.00 who conducts your customer service calls ? IT
 >help desk etc..

ANSWER: Insofar as service calls for tech support... that's handled mainly by Toshiba. They have a quality,
 responsive support system that's available 7 days a week.
 They do a really fine job with offering user-friendly help. Other support services are handled internally. We encourage
 clients/customers to communicate with us through e-mail. However, we'll pick up the phone and call
 them to handle a request which requires expediency.

>Do you have additional information besides the web site/business plan etc...

ANSWER: We're currently developing an online brochure which will be attached to our website and will be easily and
 quickly printable in an economical, basic black & white version. It will actually be more comprehensive than the
 website and include a faxable application. However, until this is online what we have to offer now is the website and
 whatever info I've provided to this point.

>Thanks for the info

>

> [REDACTED]

>----- Original Message -----

>From: "Cash Flows" <cashflows@go.com>

>To: [REDACTED]

>Sent: Monday, January 08, 2001 9:55 AM

>Subject: Re: Investment Program

>

>

>>

>> Hi [REDACTED]

>> Just checking in to see if you have the information you want, or if you
>have any further questions.

>>

>> I'll be on and off line all day and will be available
>> to address any of your concerns.

>>

>> Best Regards,

>> Ron

>>

>>

>> GO.com Mail

>> Get Your Free, Private E-mail at <http://mail.go.com>

>>

>>

>

(EMAIL
SENT RE
FAX SENT)

GO.com Mail

Get Your Free, Private E-mail at <http://mail.go.com>

GO.com Mail

Get Your Free, Private E-mail at <http://mail.go.com>

ACC00006

S-3448-A

1/17/01

[REDACTED]

From: [REDACTED]
<christiaandavidson@email.msn.com>
Date: Friday, January 05, 2001 3:19 PM
Subject: Intermarc/CashFlows

Mr. Davidson:

Mr. Ron Fanzo passed on your email address for me to contact you regarding Intermarc Inc. for a reference. I'm interested in the program and wanted an investor's opinion on the company if it is not to much trouble.

Thank you for your time.

[REDACTED]

ACC00007
S-3448-A

3/9/01

[REDACTED]

From: "Cash Flows" <cashflows@go.com>
To: Friday, January 19, 2001 3:45 PM
Subject: Info
Ron:

Thanks for getting back to me. How are things.

Would it be possible to review one of the paid off notes ? Based on the sample security agreement is it possible to review what the various notes/agreements are ? Thanks for the info and time. I have a few interests in the wind and would like to make a few moves prior to the end of the first quarter. Anyhow, hope business is good for you.

Respectfully,

[REDACTED]

ACC00008
S-3448-A

3/9/01

From: "Cash Flows" <cashflows@go.com>
 To: [REDACTED]
 Subject: Re: Investment Program
 Hi [REDACTED]

Sorry to have taken some time to get back to you.
 I had a couple of e-mails bounce back from qwest.
 I've attempted to answer your questions within your original message. Thanks again for your interest and time.

Best Regards,
 Ron

-----Original Message-----

From: "Cash Flows" <cashflows@go.com>
 To: "Cash Flows" <cashflows@go.com>
 Date: Thu Jan 11 13:37:37 PST 2001
 Subject: Re: Investment Program

>Ron:
 >

>Thanks for the info - sorry I didnt get back to you - been very busy.
 >Cosmetic procedures ?? interesting - never heard of that kind of program.
 >What other concerns are interested ?

ANSWER: Right now, we have a company which is interested
 financing websites... along the lines of a complete package including development, marketing, hosting, etc...
 that wants to work with us on a consulting/referral basis.
 Reports say website financing is going to be a hot market as more companies move towards E-Business start-up and development.

I never heard from the investor in

>Tucson - I don't want to bother someone that doesnt want to be bothered - I
 >sent an email I believe a week ago. I understand your reasons for
 >protecting privacy.

ANSWER: Christiaan is usually easy to reach and is willing to accommodate queries about almost anything.
 He'll typically responds fast. You might try him again.

>Interesting web site/plan - an entire PC including bundled software is
 >offered for \$2500-3000.00 who conducts your customer service calls ? IT
 >help desk etc..

ANSWER: Insofar as service calls for tech support... that's handled mainly by Toshiba. They have a quality,
 responsive support system that's available 7 days a week.
 They do a really fine job with offering user-friendly help. Other support services are handled internally. We encourage
 clients/customers to communicate with us through e-mail. However, we'll pick up the phone and call
 them to handle a request which requires expediency.

>Do you have additional information besides the web site/business plan etc...

ANSWER: We're currently developing an online brochure which will be attached to our website and will be easily and
 quickly printable in an economical, basic black & white version. It will actually be more comprehensive than the
 website and include a faxable application. However, until this is online what we have to offer now is the website and
 whatever info I've provided to this point.

>Thanks for the info

>

> [REDACTED]

>----- Original Message -----

>From: "Cash Flows" <cashflows@go.com>

>To: [REDACTED]

>Sent: Monday, January 08, 2001 9:55 AM

>Subject: Re: Investment Program

>

>

>>

>> Hi [REDACTED]

>> Just checking in to see if you have the information you want, or if you
>have any further questions.

>>

>> I'll be on and off line all day and will be available

>> to address any of your concerns.

>>

>> Best Regards,

>> Ron

>>

>>

>> GO.com Mail

>> Get Your Free, Private E-mail at <http://mail.go.com>

[REDACTED]

>>

>

GO.com Mail

Get Your Free, Private E-mail at <http://mail.go.com>

GO.com Mail

Get Your Free, Private E-mail at <http://mail.go.com>

ACC00010
S-3448-A

3/9/01

[REDACTED]

From: "Cash Flows" <cashflows@go.com>
To: [REDACTED]
Subject: Monday, January 29, 2001 8:11 AM
Re: Email message

Hi [REDACTED],
No, I'm sorry... somehow we didn't get the e-mail you sent earlier. We'll be glad to fax the information you requested later today.

Best Regards,
Ron

-----Original Message-----

From: [REDACTED]
To: "Cash Flows" <cashflows@go.com>
Date: Mon Jan 29 06:22:15 PST 2001
Subject: Email message

>Ron:
>
>How is business. I sent an email about a week ago - not sure if you recieved it. Did it get bounced back - I sometimes have problems with Qwest. :(
>
>[REDACTED] was wondering if it would be possible to review one of the notes and if I could have information on what the priorities I would possibly invest in ?
>
>Best regards,

>[REDACTED]

GO.com Mail
Get Your Free, Private E-mail at <http://mail.go.com>

ACC00011
S-3448-A

3/9/01

From: [REDACTED]
 "Cash Flows" <cashflows@go.com>
 To: [REDACTED]
 Subject: Re: Email message
 Ron:

Received your message - not sure why you didn't receive my message from 01/19/01 ?? Very strange things seem to inhabit my network at times. I have three desktops that I can't seem to get flowing all at the same time.

fax again is - (602)253-4310

----- Original Message -----

From: "Cash Flows" <cashflows@go.com>
 To: [REDACTED]
 Sent: Monday, January 29, 2001 8:11 AM
 Subject: Re: Email message

> Hi [REDACTED]
 > No, I'm sorry... somehow we didn't get the e-mail you sent earlier. We'll
 > [REDACTED] had to fax the information you requested later today.

> Best Regards,
 > Ron

> -----Original Message-----

> From: [REDACTED]
 > To: "Cash Flows" <cashflows@go.com>
 > Date: Mon Jan 29 06:22:15 PST 2001
 > Subject: Email message

> > Ron:

> >
 > > How is business. I sent an email about a week ago - not sure if you
 > > recieved it. Did it get bounced back - I sometimes have problems with
 > > Qwest. :(

> >
 > > I was wondering if it would be possible to review one of the notes and if
 > > I could have information on what the securities I would possibly invest in ?

> > Best regards,

>
 >
 >

ACC00012
 S-3448-A

3/9/01

[REDACTED]

From: [REDACTED]
"Cash Flows" <cashflows@go.com>
: Tuesday, February 06, 2001 7:12 AM
Subject: No info
Ron:

I have not received the information. Would it be better to contact you over the phone. Thanks for your time.

FAX [REDACTED]
PH [REDACTED]

[REDACTED]

ACC00013
S-3448-A

3/9/01

> GO.com Mail

> Get Your Free, Private E-mail at <http://mail.go.com>

>

ACC00014
S-3448-A

[REDACTED]
From: [REDACTED]
Subject: "Cash Flows" <cashflows@go.com>
Tuesday, February 06, 2001 7:12 AM
Subject: No info
Ron:

I have not received the information. Would it be better to contact you over the phone. Thanks for your time.

FAX [REDACTED]
PH ([REDACTED])
[REDACTED]

ACC00015
S-3448-A

3/9/01

From: [REDACTED]
To: <tech@kangaweb.com.au>
Sent: Tuesday, March 13, 2001 6:46 AM
Subject: intermarc inc
Do you know where this site has moved to ??

Thanks for the info.

[REDACTED]

ACC00016
S-3448-A

3/13/01

[REDACTED]

From: "KangaWeb Tech Support" <tech@kangaweb.com.au>
To: [REDACTED]
Sent: Tuesday, March 13, 2001 12:09 PM
Subject: Re: intermarc inc
Hello

I'm sorry but as far as we know the site has not moved, it is just inactive.

All the best :-)

--
Best regards,
Nicky Adams
KangaWeb Technologies
<mailto:tech@kangaweb.com.au>

Wednesday, March 14, 2001, 12:46:06 AM, you wrote:

[REDACTED] Do you know where this site has moved to ??

[REDACTED] Thanks for the info.
[REDACTED]

ACC00017
S-3448-A

3/20/01

INTERMARC, INC.

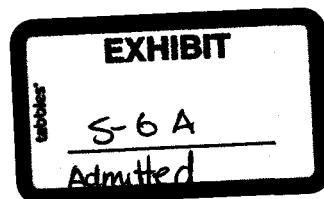
7127 E. Becker Lane, Suite 90
Scottsdale, Arizona 85254
Phone: 886-262-4708
eFax: 413.581.0778
eMail: intermarc@ureach.com

To: David Thompson

David,

This is a 2-page fax including this cover. Here's the sample agreement I mentioned in my e-mail. I'll be e-mailing you later today or tonight in regard to this fax.

Ron



ACC00018
S-3448-A

SECURITY AGREEMENT FOR INVESTMENT FUNDS AND ASSIGNMENT OF NOTES

1. CREATION OF SECURITY INTEREST. Ron Fanzo dba and hereafter known as InterMarc, Inc. , grants to Christiaan Davidson, his successors and assigns, hereafter known as CD, a security interest in the debt instruments described in Section 3 to secure all present and future obligations and liabilities of whatever nature to CD.

2. AMOUNT SECURED. The amount secured by this Security Agreement is US\$5,000.00.

3. DESCRIPTION OF SECURITY. The Debt Instruments securing this investment transaction are as follows:

*At least Six and Various Promissory Notes
At least Six and Various Security Agreements
At least Six and Various UCC-1 Filings if applicable
with all of the above documents relating to the same payors and in value greater than the total amount invested as outlined in Section 5.*

4. WARRANTIES. InterMarc Inc. warrants:

- a. **Ownership** – The Security Instruments named above are free of all encumbrances and security interests other than InterMarc's security interest.
- b. **Use of Funds** – The advance funding provided by CD through the consignment of these security instruments will be used by InterMarc to purchase and otherwise expand the operation through the acquisition of various properties, items and other debt instruments.

5. YIELD. For the delivery of the principal sum invested, CD will receive a minimum US\$1500.00, plus return of principal for a total of US\$6500.00. This return on investment of 30%APR or \$1500.00, will be delivered to CD beginning January 10, 2001 in the amount of \$125.00 monthly. Automatic rollover of principal will result in an annual return to CD of US\$1500.00 no later than five days after the 10th day of each consecutive month thereafter for a period of time mutually agreeable and feasible to both parties.

6. RECOURSE. InterMarc will provide Recourse on default of payments on any and all notes covered in this Agreement. Default or Nonperformance will be declared when a payor fails to render payment after 60 days of due date. Cure or relief from Default or Nonperformance will be the exchange or substitution of cash equal to the amount invested plus 56% of the amount invested.

7. CONFIDENTIALITY. InterMarc will not divulge, disclose or publish the investor's identity, address, amount of investment, earnings, or any other information pertinent to the mutual undertaking contained in this Agreement without the express written permission of CD.

8. MODIFICATION. InterMarc will agree to honor and abide by changes and/or corrections executed by CD to this Agreement regarding dates, addresses, assigns and other information pertinent to the mutual undertaking contained in this Agreement following verbal notification and agreement between the two parties.

9. WITHDRAWAL OF FUNDS. Retrieval of principal funds and return on funds either in full or part is available at any time with reasonable notice delivered in writing to InterMarc. The parties to this Agreement define reasonable notice as approximately 30 days.

10. GUARANTY. For value received, and in consideration of the mutual undertaking contained in this Agreement by and between InterMarc, Inc. and CD, the undersigned unconditionally guarantees to CD and his successors and assigns the full and prompt payment when due of all of the obligations of every kind of nature arising directly or indirectly out of the Agreement or any document or agreement executed and delivered by InterMarc, Inc. in accordance with the terms of this Agreement. The undersigned further agrees to pay CD all expenses paid or incurred by CD in collecting such obligations; including reasonable attorney's fees and court costs, and in enforcing this Guaranty.

Dated this 10th day of December, 2000.

Ron Fanzo for InterMarc, Inc.
7127 E. Becker Lane, Suite 90
Scottsdale, Arizona 85254

Christiaan Davidson

ACC00019

S-3448-A

SECURITY AGREEMENT FOR INVESTMENT FUNDS AND ASSIGNMENT OF NOTES

1. CREATION OF SECURITY INTEREST. Ron Fanzo representing and hereafter known as InterMarc, Inc., grants to Scott Brown, his successors and assigns, hereafter known as **SB**, a security interest in the debt instruments described in Section 3 to secure all present and future obligations and liabilities of whatever nature to **SB**.

2. AMOUNT SECURED. The amount secured by this Security Agreement is **US\$1,000.00**.

3. DESCRIPTION OF SECURITY. The Debt Instruments securing this investment transaction are as follows:
At least Three and Various Promissory Notes, At least Three and Various Security Agreements
At least Three and Various UCC-1 Filings if applicable with all of the above documents relating to the same payors and in value greater than the total amount invested as outlined in Section 5.

4. WARRANTIES. InterMarc Inc. warrants:

a. Ownership-The Security Instruments named above are free of all encumbrances and security interests other than InterMarc's security interest. b. **Use of Funds** - The advance funding provided by **SB** through the consignment of these security instruments will be used by InterMarc to purchase and otherwise expand the operation through the acquisition of various properties, items and other debt instruments.

5. YIELD. For the delivery of the principal sum invested, **SB** will receive US\$1,159.71, through a six month term. This return on investment of 30 % APR will be delivered to **SB** beginning February 20, 2001 and will continue for six consecutive months. Automatic monthly rollover of principal and return on principal will result in the following payment schedule: February 20 (\$1,000) **\$25.00**, March 20 (\$1025) **\$25.63**, April 20 (\$1,050.63) **\$26.27**, May 20 (\$1,076.90) **\$26.92**, June 20 (\$1,103.82) **\$27.60**, and July 20 (\$1,131.42) **\$28.29** for an ending balance of **\$1,159.71**. All months and dates occur within the year 2001.

6. RECOURSE. InterMarc will provide Recourse on default of payments on any and all notes covered in this Agreement. Default or Nonperformance will be declared when a payor fails to render payment after 60 days of due date. Cure or relief from Default or Nonperformance will be the exchange or substitution of cash equal to the amount invested plus 55% of the amount invested.

7. CONFIDENTIALITY. InterMarc will not divulge, disclose or publish the investors identity, address, amount of investment, earnings, or any other information pertinent to the mutual undertaking contained in this Agreement without the express written permission of **SB**.

8. MODIFICATION. InterMarc will agree to honor and abide by changes and/or corrections executed by **SB** to this Agreement regarding dates, addresses, assigns and other information pertinent to the mutual undertaking contained in this Agreement following verbal notification and agreement between the two parties.

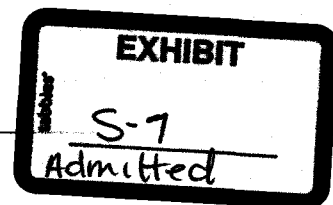
9. WITHDRAWAL OF FUNDS. Retrieval of principal funds and return on funds either in full or part is available at any time with reasonable notice delivered by writing, e-mail, or fax transmission to InterMarc. The parties to this Agreement define reasonable notice as any given month whereby such a request is presented by the 15th day of that month for the requested amount of funds to be delivered by the last business day of that same month.

10. GUARANTY. For value received, and in consideration of the mutual undertaking contained in this Agreement by and between InterMarc, Inc. and **SB**, the undersigned unconditionally guarantees to **SB** and his successors and assigns the full and prompt payment when due of all of the obligations of every kind of nature arising directly or indirectly out of the Agreement or any document or agreement executed and delivered by InterMarc, Inc. in accordance with the terms of this Agreement. The undersigned further agrees to pay **SB** all expenses paid or incurred by **SB** in collecting such obligations: including reasonable attorney's fees and court costs, and in enforcing this Guaranty.

Dated this 20th day of January, 2001.

Ron Fanzo for InterMarc, Inc.
7127 E. Becker Lane, Suite 90
Scottsdale, Arizona 85254

Scott Brown
840 8th Ave.
Sacramento, CA 95818



ACC00037
S-3448-A

<u>Email</u>	<u>Date</u>	<u>Page</u>
1.	January 2, 2001	1
2.	January 3, 2001	4
3.	January 4, 2001	8
5.	January 7, 2001	13
6.	January 19, 2001.....	16
7.	January 19, 2001.....	18
8.	January 20, 2001.....	20
9.	January 24, 2001.....	23
10.	January, 26, 2001.....	24
11.	January 26, 2001.....	26
12.	February 1, 2001.....	29
13.	February 6, 2001.....	30
14.	February 27, 2001	31
15.	July 2, 2001	32
16.	July 4, 2001	33
17.	July 11, 2001	34
18.	August 6, 2001	36
19.	August 13, 2001	37
20.	August 20, 2001	39

1. January 2, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Re: Request for investment information
>Date: Tue, 2 Jan 2001 11:21:39 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.130.245] by hotmail.com (3.2) with ESMTTP id
>MHotMailBC1B7543000BD820F3A2D88882F507A10; Tue Jan 02 11:21:40 2001
>Received: from [12.72.36.29] by web10803.mail.yahoo.com; Tue, 02 Jan 2001
>11:21:39 PST
>From ezpc_usa@yahoo.com Tue Jan 02 11:23:11 2001
>Message-ID: <20010102192139.65393.qmail@web10803.mail.yahoo.com>

>
>Hello Scott,
>Hope the Holidays were enjoyable for you, and the
>New Year holds all the best in terms of health and
>wealth.

>
>I had some Holiday traveling obligations to fulfill,
>so I've only been able to get back to you now that
>they're behind us. I appreciate your interest in our
>project and your patience in waiting for this
>response.

>
>As the post stated, we're seeking investors and are
>returning 30% APR interest on funds provided. We have
>structured our cashflow in a way where we are
>comfortable in accomodating invested funds in the
>amount of \$1,000 to \$20,000. The return is paid out
>monthly via pre-dated checks or electronic wire
>transfers. We usually do each transaction on a
>renewable six-month term.

>
>Our project is a very unique one in that we offer a
>system for individuals and small businesses to obtain
>a new, top-quality computer and either start or expand
>a business onto the internet. It's a complete turnkey
>package. There's a huge market for the program...
>trade statistics report there are 40-60 million
>American households or businesses which are potential
>customers. The program is explained in detail at our
>website: <http://www.intermarc-inc.com>

>
>Since we're continually building the program and
>modifying our marketing strategies, the website is a
>work in progress. However, it should give you a better
>idea of what we do than I can probably relate in this
>e-mail.

>
>Our use of the funds is divided largely between two
>applications: marketing and the purchase of equipment.

>
>Understand that our primary market is in financing
>sub-prime (in terms of credit qualification)
>applicants.

>Although we certainly don't turn down applicants with
>perfect credit, reportedly, nearly 75% of Americans

>now fall into the sub-prime category.

>

>The success of our program is in how we finance our
>customers, and how we're able to minimize our risk in
>the area of delinquencies and defaults. We do this by
>working with a number of financing sources ranging
>from small private investors to more formal finance,
>capital and liquidation firms who buy the promissory
>notes we create when we close a sale. We typically
>sell our program at a price between \$2,500-\$3,500
>approximately, and have a profit margin of 78%.

>

>Due to this very high margin, we're able to sell our
>paper at attractive discounts and still maintain a
>substantial profit. This is effectively how we return
>30% to our investors. I believe you'll see this is a
>rather safe investment.

>

>So, getting back to our use of funds; in many cases,
>before we can sell our paper, we have to deliver
>the merchandise. Accordingly, we use investor funds to
>

>buy the equipment we sell. We then deliver the
>equipment and finalize our interest by selling the
>paper which supports the transaction. Our cost of
>goods per deal ranges between \$500 and \$800.

>

>I also mentioned another use of funds being marketing.

>

>It is the plan to launch a national advertising
>program keyed mainly to offline media utilizing
>national magazines such as "Inc" and "Entrepreneur" to
>get the word out. You'll also notice if you visit the
>website that we have a new affiliate program, and
>we're beginning to sign-up regional representatives to
>also bring a "grass roots" dimension to our marketing
>efforts.

>

>We provide a written agreement to each investor and a
>schedule of payouts. If based on what you've read
>here, you feel as though you might wish to proceed
>further, we can fax or efax a sample agreement for
>your review.

>

>Additionally, if you have questions or require
>specific information, please don't hesitate to ask.
>You can of course e-mail; you can also contact me via
>phone or voice mail at 866-262-4708.

>

>Thanks again for your interest and query.

>

>Best Regards,
>Ron Fanzo
>Intermarc, Inc.

>

>

>-----Original Message-----

> >

>
>--- Scott Brown <h20engr@hotmail.com> wrote:
> > Tiffanie Grady,
> >
> > I saw your message in the Notes Lounge of
> > Papersource.com and would like
> > additional detailed information. In particular, I
> > would like to know how
> > the money is going to be used by your company and
> > detailed information about
> > what your company does. Please email me the
> > information here or email me
> > back if you need more info from me.
> >
> > Thanks
> >
> > Scott Brown
> >
>

> > Get your FREE download of MSN Explorer at
> > <http://explorer.msn.com>
> >
>
>
>

>Do You Yahoo!?
>Yahoo! Photos - Share your holiday photos online!
><http://photos.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

2. January 3, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Re: Request for investment information
>Date: Wed, 3 Jan 2001 11:34:05 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.130.244] by hotmail.com (3.2) with ESMTTP id
>MHotMailBC1CC9AD000E400431A0D88882F40B360; Wed Jan 03 11:34:05 2001
>Received: from [12.72.34.76] by web10802.mail.yahoo.com; Wed, 03 Jan 2001
>11:34:05 PST
>From ezpc_usa@yahoo.com Wed Jan 03 11:34:49 2001
>Message-ID: <20010103193405.51581.qmail@web10802.mail.yahoo.com>
>

>Hi Scott,
>Thanks for the comment on the program. I'm not sure
>we can efax the sample agreement to your e-mail
>address. It only exists in hard copy form, but we'll
>try and we'll see how it works. We haven't done it
>before.

>
>We can provide a balance sheet via email. Give us
>approximately 24-hours to accomplish both.

>
>Thanks again for your interest.

>
>Best Regards,
>Ron

>
>
>--- Scott Brown <h20engr@hotmail.com> wrote:
> > Ron,
> >
> > Took a look at your website - very attractive
> > program. I'd like to see the
> > sample agreement. Can you efax it to this email
> > address? Also, I'd like
> > to see a balance sheet. The reason I ask is that
> > I'd like to see how your
> > company has done over the past year or 2. What ever
> > you can send me would
> > be great; the more info, the greater confidence I'll
> > have in the company.
> > Thanks.

> > Scott

> >
> > >From: Ron at EzPC <ezpc_usa@yahoo.com>
> > >To: Scott Brown <h20engr@hotmail.com>
> > >Subject: Re: Request for investment information
> > >Date: Tue, 2 Jan 2001 11:21:39 -0800 (PST)

> > >
> > >Hello Scott,
> > >Hope the Holidays were enjoyable for you, and the
> > >New Year holds all the best in terms of health and
> > >wealth.
> > >

> > >I had some Holiday traveling obligations to
> > fulfill,
> > >so I've only been able to get back to you now that
> > >they're behind us. I appreciate your interest in
> > our
> > >project and your patience in waiting for this
> > >response.
> > >
> > >As the post stated, we're seeking investors and are
> > >returning 30% APR interest on funds provided. We
> > >have
> > >structured our cashflow in a way where we are
> > >comfortable in accomodating invested funds in the
> > >amount of \$1,000 to \$20,000. The return is paid out
> > >monthly via pre-dated checks or electronic wire
> > >transfers. We usually do each transaction on a
> > >renewable six-month term.
> > >
> > >Our project is a very unique one in that we offer a
> > >system for individuals and small businesses to
> > >obtain
> > >a new, top-quality computer and either start or
> > >expand
> > >a business onto the internet. It's a complete
> > >turnkey
> > >package. There's a huge market for the program...
> > >trade statistics report there are 40-60 million
> > >American households or businesses which are
> > >potential
> > >customers. The program is explained in detail at
> > >our
> > >website: <http://www.intermarc-inc.com>
> > >
> > >Since we're continually building the program and
> > >modifying our marketing strategies, the website is
> > >a
> > >work in progress. However, it should give you a
> > >better
> > >idea of what we do than I can probably relate in
> > >this
> > >e-mail.
> > >
> > >Our use of the funds is divided largely between two
> > >applications: marketing and the purchase of
> > >equipment.
> > >
> > >Understand that our primary market is in financing
> > >sub-prime (in terms of credit qualification)
> > >applicants.
> > >Although we certainly don't turn down applicants
> > >with
> > >perfect credit, reportedly, nearly 75% of Americans
> > >now fall into the sub-prime category.
> > >
> > >The success of our program is in how we finance our
> > >customers, and how we're able to minimize our risk
> > >in
> > >the area of delinquencies and defaults. We do this

ACC00042
S-3448-A

> > by
 > > >working with a number of financing sources ranging
 > > >from small private investors to more formal
 > > finance,
 > > >capital and liquidation firms who buy the
 > > promissory
 > > >notes we create when we close a sale. We typically
 > > >sell our program at a price between \$2,500-\$3,500
 > > >approximately, and have a profit margin of 78%.
 > > >
 > > >Due to this very high margin, we're able to sell
 > > our
 > > >paper at attractive discounts and still maintain a
 > > >substantial profit. This is effectively how we
 > > return
 > > >30% to our investors. I believe you'll see this is
 > > a
 > > >rather safe investment.
 > > >
 > > >So, getting back to our use of funds; in many
 > > cases,
 > > >before we can sell our paper, we have to deliver
 > > >the merchandise. Accordingly, we use investor funds
 > > to
 > > >
 > > >buy the equipment we sell. We then deliver the
 > > >equipment and finalize our interest by selling the
 > > >paper which supports the transaction. Our cost of
 > > >goods per deal ranges between \$500 and \$800.
 > > >
 > > >I also mentioned another use of funds being
 > > marketing.
 > > >
 > > >It is the plan to launch a national advertising
 > > >program keyed mainly to offline media utilizing
 > > >national magazines such as "Inc" and "Entrepreneur"
 > > to
 > > >get the word out. You'll also notice if you visit
 > > the
 > > >website that we have a new affffiliate program, and
 > > >we're beginning to sign-up regional representatives
 > > to
 > > >also bring a "grass roots" dimension to our
 > > marketing
 > > >efforts.
 > > >
 > > >We provide a written agreement to each investor and
 > > a
 > > >schedule of payouts. If based on what you've read
 > > >here, you feel as though you might wish to proceed
 > > >further, we can fax or efax a sample agreement for
 > > >your review.
 > > >
 > > >Additionally, if you have questions or require
 > > >specific information, please don't hesitate to ask.
 > > >You can of course e-mail; you can also contact me
 > > via
 > > >phone or voice mail at 866-262-4708.

3. January 4, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: h20engr@hotmail.com
>Subject: Agreement at least
>Date: Thu, 4 Jan 2001 16:07:29 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.130.250] by hotmail.com (3.2) with ESMTP id
>MHotMailBC1E5B420047400431E2D88882FA11210; Thu Jan 04 16:07:30 2001
>Received: from [12.72.34.54] by web10808.mail.yahoo.com; Thu, 04 Jan 2001
>16:07:29 PST
>From ezpc_usa@yahoo.com Thu Jan 04 16:08:53 2001
>Message-ID: <20010105000729.77069.qmail@web10808.mail.yahoo.com>
>
>Scott,
>Sorry this is late in getting to you. We've been
>struggling with a scanner software problem most of the
>day. What's attached is a sample agreement. We'll have
>the other information you requested ASAP.
>
>Thanks for your patience.
>
>Best Regards,
>Ron
>
>
>Do You Yahoo!?
>Yahoo! Photos - Share your holiday photos online!
><http://photos.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

Dated this 1 Oth day of December, 2000.

Ron Fanzo for Intermerc, Inc.
7127 E. Becker Lane, Suite 90
Scottsdale, Arizona 85254

Christiaan Davidson

4. January 5, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Re: Agreement at least
>Date: Fri, 5 Jan 2001 12:57:51 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.130.244] by hotmail.com (3.2) with ESMTTP id
>MHotMailBC1F80C7009BD82197E8D88882F411370; Fri Jan 05 12:59:51 2001
>Received: from [12.72.38.171] by web10802.mail.yahoo.com; Fri, 05 Jan 2001
>12:57:51 PST
>From ezpc_usa@yahoo.com Fri Jan 05 13:00:06 2001
>Message-ID: <20010105205751.45997.qmail@web10802.mail.yahoo.com>
>
>Hi again Scott,
>I've attempted to answer your questions within the
>body of your e-mail. So, following each question
>you'll
>find our answer. We'll also be sending some additional
>info later today.
>
>
>--- Scott Brown <h20engr@hotmail.com> wrote:
> > Ron,
> >
> > Don't worry, I understand the frustration of
> > software problems.
> >
> > Had a chance to glance through the sample agreement
> > and have a couple of
> > questions comments:
> >
> > 1) How are the returns, as described in Section 5,
> > sent to me? Via check,
> > wire transfer, ePayment? Not a big issue, just
> > hoping for direct transfer
> > into my account.
> > ANSWER: Because we recently started a relationship
>with Compubank, we're now able to wire transfer you're
>monthly return at no cost to any domestic bank. You
>simply designate a checking or savings account to be
>the recipient of your return. Additionally, the method
>of payment for returns is your choice.
>
> > 2) This agreement appears to be for 1 year. Under
> > Section 5, I quote
> > "Automatic rollover of principal will result in an
> > annual return..." I
> > assume by the word "annual" that this agreement is
> > for a 1 year term. (Also
> > \$125 x 12 = \$1500, the return stated in Section 5
> > Do you have a sixth month
> > term available? What is the APR for the sixth month
> > period?
>ANSWER: Since we use an Annual Percentage Rate to
>describe the amount of the return, we more or less
>structure the Agreement as a 1-year term. It can be
>whatever you choose though. For now, our return is

>based on 30%APR whether you choose 3,6 or 12 months,
>etc. Basically, the monthly return is \$25 for every
>\$1,000 invested.
> >
> > 3) Section 9 - Withdrawal of Funds. I read this
> > section to state that I can
> > request the return of the principle amount section
> > (as set forth in Section
> > 2) at any time and that there is no early withdrawal
> > penalty as with a
> > traditional investment vehicle. Is this true?
>ANSWER: This is correct. There is no penalty,
>commission, fee or any other cost associated with
>withdrawing your principal before the elected term
>expires.
>
> > 4) Is it possible to "reinvest" the return on
> > investment? That is to
> > capitalize on compounding effects, while providing
> > InterMarc is additional
> > funds with which to purchase products.
>ANSWER: Yes, it's possible to reinvest your return(s)
>to compound your overall return. You can also choose
>to reinvest your return one month, and take it out the
>next, vice versa and so on. We try to make things as
>flexible as possible to accomodate our investor's
>needs.
>
>Hope You find the answers to your questions adequate.
>
>
>
> > I'll take a more detailed look this evening and let
> > you know in the morning
> > if I have any other questions.
> >
> > Thanks,
> >
> > Scott
> >
>

> > Get your FREE download of MSN Explorer at
> > <http://explorer.msn.com>
> >
>
>
>

>Do You Yahoo!?
>Yahoo! Photos - Share your holiday photos online!
><http://photos.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

5. January 7, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Better late than never.
>Date: Sun, 7 Jan 2001 11:40:56 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.130.246] by hotmail.com (3.2) with ESMTTP id
>MH0tMailBC2211480096D821EECDD88882F613540; Sun Jan 07 11:40:57 2001
>Received: from [12.72.33.11] by web10804.mail.yahoo.com; Sun, 07 Jan 2001
>11:40:56 PST
>From ezpc_usa@yahoo.com Sun Jan 07 11:42:47 2001
>Message-ID: <20010107194056.34230.qmail@web10804.mail.yahoo.com>

>
>Hi Scott,
>Better late than never with this I suppose. Sorry,
>I didn't get this to you on Friday as advertised,
>but that's one day of the week that can be a real bear
>and totally unpredictable.

>
>Attached is our balance sheet. You'll note that the
>numbers aren't huge, but are in good ratio. We expect
>them to get larger.

>
>A little more about the operation... we're almost 2
>years old. We spent a considerable amount of our first
>year and a quarter developing our methodology for
>getting our financing models structured. We think it's
>fairly innovative and aren't aware of anyone else
>doing anything like it.

>
>Now that we have a reliable system in place, we expect
>for growth and profitability to be exponential.

>
>Our customers tend to be stay-at-home moms,
>semi-retired individuals, handicapped who are
>essentially house-bound, families seeking to develop a
>secondary income and existing "brick & mortar"
>businesses that wish to develop an online presence or
>add net marketing to their full array of marketing
>activities.

>
>As I believe it was previously mentioned, the market
>is a very large one and at this point in time we're
>only scratching the surface.

>
>And economic downturn, if there would be one, isn't a
>concern to us. If anything it would most likely drive
>more people to seek additional methods and
>opportunities for extra income for their personal
>financial health.

>
>We're constantly seeking ways to make the program more
>attractive and well-rounded. We have some competition,
>but no other entity can really claim to be even close
>to what we offer. We have the whole enchilada and
>thensome.

>

ACC00050
S-3448-A

>If you're interested in proceeding, just let us know
>at what level and how you would like your return
>delivered. As I reported in a previous e-mail, we're
>flexible in working with our investors and will do
>everything possible to accomodate your goals.

>
>Hope this info is helpful.

>
>Best Regards,
>Ron Fanzo
>Intermarc, Inc.

>
>

>Do You Yahoo!?
>Yahoo! Photos - Share your holiday photos online!
><http://photos.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

Intermarc, Inc.: Balance Sheet

Cash	\$	44,150
Accounts Receivable		179,000
Less: Allowance for bad debt		17,900
Net Accounts Receivable		161,100
Inventory		3,500
Total Current Assets		208,750

Accounts Payable	\$	6,800
Notes Payable		55,000
Other Long Term Liabilities		0
Accrued Expenses Payable		1,850
Other Short Term Liabilities		0
Total Current Liabilities		63,650

Net Worth: Assets (-) Liabilities = \$145,100
Current Ratio: \$208,750/63,650 = 3.3

6. January 19, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Re: Follow-Up
>Date: Fri, 19 Jan 2001 17:09:47 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.130.249] by hotmail.com (3.2) with ESMTTP id
>MHotMailBC32305B00CBD821EEDDD88882F906B80; Fri Jan 19 17:09:47 2001
>Received: from [12.72.32.43] by web10807.mail.yahoo.com; Fri, 19 Jan 2001
>17:09:47 PST
>From ezpc_usa@yahoo.com Fri Jan 19 17:11:24 2001
>Message-ID: <20010120010947.59104.qmail@web10807.mail.yahoo.com>
>
>Hi Scott,
>First, thanks for your vote of confidence. I'm sure
>you will be happy with the experience.
>
>Everything in your e-mail sounds fine so we'll include
>those points in the Agreement. One thing you should
>know is the return is now 30%, and not 25% as you
>calculated. So, the numbers in your table will be
>slightly higher in your favor.
>
>How would you like us to deliver the agreement to you?
>
>Let me know when you can.
>
>Best Regards,
>Ron
>
>
>--- Scott Brown <h20engr@hotmail.com> wrote:
> > Ron,
> >
> > Sorry I haven't gotten back to you. It's been
> > really busy here at work.
> > So, I've thought it over and this is what I'd like
> > to do.
> >
> > 1) I'd like 6 month agreement that allows me to
> > elect to reinvest my
> > returns on a monthly basis.
> >
> > 2) I'd like to be able to have my money returned to
> > me by the end of any
> > month, given that I submit such a request by the
> > 15th of said month. No
> > return will be due for the month in which I request
> > disbursement of my
> > funds.
> >
> > 3) All other terms of the standard agreement are
> > fine. The amount I have
> > to invest at this time is \$1,000. I believe the
> > monthly deliverable will be
> > as follows (assuming an executable date of 2/1/01):

> >
> > Month Principle Deliverable
> > Feb 1000.00 25.00
> > Mar 1025.00 25.63
> > April 1050.63 26.27
> > May 1076.90 26.92
> > June 1103.82 27.60
> > July 1131.42 28.29
> >
> > Ending Balance 1159.71
> >
> > Please include this schedule on the agreement.
> >
> > Look forward to writing you the check. If you have
> > any changes to my
> > changes, let me know.
> >
> > Scott
> >

> > Get your FREE download of MSN Explorer at
> > <http://explorer.msn.com>
> >
>
>
>

>Do You Yahoo!?
>Yahoo! Auctions - Buy the things you want at great prices.
><http://auctions.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

7. January 19, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Re: Follow-Up
>Date: Fri, 19 Jan 2001 17:09:47 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.130.249] by hotmail.com (3.2) with ESMTTP id
>MHotMailBC32305B00CBD821EEDDD88882F906B80; Fri Jan 19 17:09:47 2001
>Received: from [12.72.32.43] by web10807.mail.yahoo.com; Fri, 19 Jan 2001
>17:09:47 PST
>From ezpc_usa@yahoo.com Fri Jan 19 17:11:24 2001
>Message-ID: <20010120010947.59104.qmail@web10807.mail.yahoo.com>
>
>Hi Scott,
>First, thanks for your vote of confidence. I'm sure
>you will be happy with the experience.
>
>Everything in your e-mail sounds fine so we'll include
>those points in the Agreement. One thing you should
>know is the return is now 30%, and not 25% as you
>calculated. So, the numbers in your table will be
>slightly higher in your favor.
>
>How would you like us to deliver the agreement to you?
>
>Let me know when you can.
>
>Best Regards,
>Ron
>
>
>--- Scott Brown <h20engr@hotmail.com> wrote:
> > Ron,
> >
> > Sorry I haven't gotten back to you. It's been
> > really busy here at work.
> > So, I've thought it over and this is what I'd like
> > to do.
> >
> > 1) I'd like 6 month agreement that allows me to
> > elect to reinvest my
> > returns on a monthly basis.
> >
> > 2) I'd like to be able to have my money returned to
> > me by the end of any
> > month, given that I submit such a request by the
> > 15th of said month. No
> > return will be due for the month in which I request
> > disbursement of my
> > funds.
> >
> > 3) All other terms of the standard agreement are
> > fine. The amount I have
> > to invest at this time is \$1,000. I believe the
> > monthly deliverable will be
> > as follows (assuming an executable date of 2/1/01):
> >

ACC00055
S-3448-A

> > Month	Principle	Deliverable
> > Feb	1000.00	25.00
> > Mar	1025.00	25.63
> > April	1050.63	26.27
> > May	1076.90	26.92
> > June	1103.82	27.60
> > July	1131.42	28.29
> >		
> > Ending Balance	1159.71	
> >		
> > Please include this schedule on the agreement.		
> >		
> > Look forward to writing you the check. If you have		
> > any changes to my		
> > changes, let me know.		
> >		
> > Scott		
> >		

> > Get your FREE download of MSN Explorer at
> > <http://explorer.msn.com>

>Do You Yahoo!?
>Yahoo! Auctions - Buy the things you want at great prices.
><http://auctions.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

8. January 20, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Agreement
>Date: Sat, 20 Jan 2001 14:05:25 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.173.79] by hotmail.com (3.2) with ESMTTP id
>MHotMailBC3356F5002240042A13D888AD4F105F0; Sat Jan 20 14:06:45 2001
>Received: from [12.72.39.209] by web10811.mail.yahoo.com; Sat, 20 Jan 2001
>14:05:25 PST
>From ezpc_usa@yahoo.com Sat Jan 20 14:08:26 2001
>Message-ID: <20010120220525.54539.qmail@web10811.mail.yahoo.com>
>
>Hi Scott,
>Attached to this e-mail should be a readable agreement
>revised to reflect your objectives in the transaction.
>
>I'm assuming you want your return to be wire
>transferred to your account. At some point, we'll need
>your banking coordinates. Or, if wire transfer is not
>your choice, a mailing address will be needed.
>
>To answer your question about defaults, (knock on
>wood)
>we haven't had any yet. We've had some slip into a
>delinquency status, but none have as yet ever stopped
>paying completely. By the way, the delinquencies
>usually occur in November, December and January.
>
>I suspect we have a good record because many of
>our clients rely on us for on-going support and they
>realize if payments are stopped or missed, non-support
>will follow... just a theory.
>
>Anyway, if you have comments or further modification
>of the Agreement, just let us know.
>
>Have a great weekend!
>
>Best Regards,
>Ron
>
>
>

>Do You Yahoo!?
>Yahoo! Auctions - Buy the things you want at great prices.
><http://auctions.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

SECURITY AGREEMENT FOR INVESTMENT FUNDS AND ASSIGNMENT OF NOTES

1. **CREATION OF SECURITY INTEREST.** Ron Fanzo representing and hereafter known as InterMarc, Inc., grants to Scott Brown, his successors and assigns, hereafter known as SB, a security interest in the debt instruments described in Section 3 to secure all present and future obligations and liabilities of whatever nature to SB.

2. **AMOUNT SECURED.** The amount secured by this Security Agreement is US\$1,000.00.

3. **DESCRIPTION OF SECURITY.** The Debt Instruments securing this investment transaction are as follows:

At least Three and Various Promissory Notes, At least Three and Various Security Agreements

At least Three and Various UCC-1 Filings if applicable with all of the above documents relating to the same payors

and in value greater than the total amount invested as outlined in Section 5.

4. **WARRANTIES.** InterMarc Inc. warrants:

a. **Ownership**-The Security Instruments named above are free of all encumbrances and security interests other than

InterMarc's security interest. b. **Use of Funds** - The advance funding provided by SB through the consignment of

these security instruments will be used by InterMarc to purchase and otherwise expand the operation through the

acquisition of various properties, items and other debt instruments.

5. **YIELD.** For the delivery of the principal sum invested, SB will receive

US\$1,159.71, through a six month

term. This return on investment of 30 % APR will be delivered to SB beginning February 20, 2001 and will continue for six consecutive months. Automatic monthly rollover of principal and return on principal will result in the following payment schedule:

February 20 (\$1,000) \$25.00, March 20 (\$1025) \$25.63, April 20 (\$1,050.63) \$26.27, May 20 (\$1,076.90) \$26.92, June 20 (\$1,103.82) \$27.60, and July 20 (\$1,131.42) \$28.29 for an ending balance

of \$1,159.71. All months and dates occur within the year 2001.

6. **RECOURSE.** InterMarc will provide Recourse on default of payments on any and all notes covered in this Agreement. Default or Nonperformance will be declared when a payor fails to render payment after 60 days of due date. Cure or relief from Default or Nonperformance will be the exchange or substitution of cash equal to the amount invested plus 55% of the amount invested.

7. **CONFIDENTIALITY.** InterMarc will not divulge, disclose or publish the investors identity, address, amount of investment, earnings, or any other information pertinent to the mutual undertaking contained in this Agreement without the express written permission of SB.

8. **MODIFICATION.** InterMarc will agree to honor and abide by changes and/or corrections executed by

SB to this Agreement regarding dates, addresses, assigns and other information pertinent to the mutual

undertaking contained in this Agreement following verbal notification and agreement between the two parties.

9. **WITHDRAWAL OF FUNDS.** Retrieval of principal funds and return on funds either in full or part is available at any time with reasonable notice delivered by writing, e-mail, or fax transmission to InterMarc. The parties to this Agreement define reasonable notice as any given month whereby such a request is presented by the 15th day of that month for the requested amount of funds to be delivered by the last business day of that same month.

10. **GUARANTY.** For value received, and in consideration of the mutual undertaking contained in this Agreement by and between InterMarc, Inc. and SB, the undersigned unconditionally guarantees to SB and his successors and assigns the full and prompt

payment when due of all of the obligations of every kind of nature arising directly or indirectly out of the Agreement or any document or agreement executed and delivered by InterMarc, Inc. in accordance with the terms of this Agreement. The undersigned further agrees to pay SB all expenses paid or incurred by SB in collecting such obligations: including reasonable attorney's fees and court costs, and in enforcing this Guaranty.

Dated this 20th day of January, 2001.

Ron Fanzo for InterMarc, Inc.
Brown
7127 E. Becker Lane, Suite 90
Scottsdale, Arizona 85254

Scott

9. January 24, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Review
>Date: Wed, 24 Jan 2001 14:59:48 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.173.82] by hotmail.com (3.2) with ESMTTP id
>MHotMailBC38A964009D400431CBD888AD520F670; Wed Jan 24 14:59:48 2001
>Received: from [12.72.202.48] by web10814.mail.yahoo.com; Wed, 24 Jan 2001
>14:59:48 PST
>From ezpc_usa@yahoo.com Wed Jan 24 15:01:05 2001
>Message-ID: <20010124225948.19710.qmail@web10814.mail.yahoo.com>
>
>
>Hi Scott,
>By now, it would seem reasonable you would have had
>time to review the Agreement which was e-mailed
>to you. If you have any questions or problems with it,
>please let me know.
>
>Best Regards,
>Ron
>
>
>Do You Yahoo!?
>Yahoo! Auctions - Buy the things you want at great prices.
><http://auctions.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

10. January, 26, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Mailing Address
>Date: Fri, 26 Jan 2001 06:36:29 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.130.245] by hotmail.com (3.2) with ESMTTP id
>MHotMailBC3AD65F003F40043112D88882F50B960; Fri Jan 26 06:36:16 2001
>Received: from [12.72.32.240] by web10803.mail.yahoo.com; Fri, 26 Jan 2001
>06:36:29 PST
>From ezpc_usa@yahoo.com Fri Jan 26 06:38:00 2001
>Message-ID: <20010126143629.47479.qmail@web10803.mail.yahoo.com>
>
>Hi Scott,
>Please provide a mailing address. I'll send the signed
>original to you which you can keep. You can then
>return a photocopy with your check. We'll supply a
>self-addressed stamped envelope.
>
>Have a great weekend!
>
>Best Regards,
>Ron
>
>
>
>--- Scott Brown <h20engr@hotmail.com> wrote:
> > Ron,
> >
> > Finished reviewing the contract. Everything looks
> > good. I'll send the
> > contract soon. You'll receive my funds after I
> > receive a sign copy from
> > you.
> >
> > Scott
> >
> >
> > >From: Ron at EzPC <ezpc_usa@yahoo.com>
> > >To: Scott Brown <h20engr@hotmail.com>
> > >Subject: Review
> > >Date: Wed, 24 Jan 2001 14:59:48 -0800 (PST)
> > >
> > >
> > >Hi Scott,
> > >By now, it would seem reasonable you would have had
> > >time to review the Agreement which was e-mailed
> > >to you. If you have any questions or problems with
> > >it,
> > >please let me know.
> > >
> > >Best Regards,
> > >Ron
> > >
> > >
> > >Do You Yahoo!?
> > >Yahoo! Auctions - Buy the things you want at great

ACC00061
S-3448-A

> > prices.
> > ><http://auctions.yahoo.com/>
> >
> >
>

> > Get your FREE download of MSN Explorer at
> > <http://explorer.msn.com>
> >
>
>
>

>Do You Yahoo!?
>Yahoo! Auctions - Buy the things you want at great prices.
><http://auctions.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

11. January 26, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Re: Mailing Address
>Date: Fri, 26 Jan 2001 15:24:24 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.130.245] by hotmail.com (3.2) with ESMTTP id
>MHotMailBC3B5289005C40043165D88882F50C500; Fri Jan 26 15:26:01 2001
>Received: from [12.72.35.165] by web10803.mail.yahoo.com; Fri, 26 Jan 2001
>15:24:24 PST
>From ezpc_usa@yahoo.com Fri Jan 26 15:26:07 2001
>Message-ID: <20010126232424.77948.qmail@web10803.mail.yahoo.com>
>
>Hi Scott,
>
>I have sent you a signed copy which you can keep for
>your records.
>
>Ron
>
>
>--- Scott Brown <h20engr@hotmail.com> wrote:
> > My address is:
> >
> > 840 8th Ave
> > Sacramento, CA 95818
> >
> > Are you sending my a signed copy? If not I'll get a
> > signed copy in the mail
> > to you today. I'm not sure which order you want to
> > follow or if it really
> > matters to you.
> >
> > You have a great weekend too!
> >
> > Scott
> >
> >
> > >From: Ron at EzPC <ezpc_usa@yahoo.com>
> > >To: Scott Brown <h20engr@hotmail.com>
> > >Subject: Mailing Address
> > >Date: Fri, 26 Jan 2001 06:36:29 -0800 (PST)
> > >
> > >Hi Scott,
> > >Please provide a mailing address. I'll send the
> > >signed
> > >original to you which you can keep. You can then
> > >return a photocopy with your check. We'll supply a
> > >self-addressed stamped envelope.
> > >
> > >Have a great weekend!
> > >
> > >Best Regards,
> > >Ron
> > >
> > >
> > >

ACC00063
S-3448-A

> > >--- Scott Brown <h20engr@hotmail.com> wrote:

> > > > Ron,

> > > >

> > > > Finished reviewing the contract. Everything

> > looks

> > > > good. I'll send the

> > > > contract soon. You'll receive my funds after I

> > > > receive a sign copy from

> > > > you.

> > > >

> > > > Scott

> > > >

> > > >

> > > > >From: Ron at EzPC <ezpc_usa@yahoo.com>

> > > > >To: Scott Brown <h20engr@hotmail.com>

> > > > >Subject: Review

> > > > >Date: Wed, 24 Jan 2001 14:59:48 -0800 (PST)

> > > > >

> > > > >

> > > > >Hi Scott,

> > > > >By now, it would seem reasonable you would have

> > had

> > > > >time to review the Agreement which was e-mailed

> > > > >to you. If you have any questions or problems

> > with

> > > > >it,

> > > > >please let me know.

> > > > >

> > > > >Best Regards,

> > > > >Ron

> > > > >

> > > > >

> > > > >_____

> > > > >Do You Yahoo!?

> > > > >Yahoo! Auctions - Buy the things you want at

> > great

> > > > >prices.

> > > > >><http://auctions.yahoo.com/>

> > > > >

> > > > >

> > > > >_____

> > > > >Get your FREE download of MSN Explorer at

> > > > >><http://explorer.msn.com>

> > > > >

> > > > >

> > > > >_____

> > > > >Do You Yahoo!?

> > > > >Yahoo! Auctions - Buy the things you want at great

> > prices.

> > > > >><http://auctions.yahoo.com/>

> > > > >

> > > > >

> > > > >_____

> > Get your FREE download of MSN Explorer at

> > > > >><http://explorer.msn.com>

> >

ACC00064
S-3448-A

>
>
>

>Do You Yahoo!?

>Yahoo! Auctions - Buy the things you want at great prices.

><http://auctions.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

12. February 1, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Receipt of Funds
>Date: Thu, 1 Feb 2001 15:25:14 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.173.82] by hotmail.com (3.2) with ESMTP id
>MHotMailBC433B5A008BD82197D4D888AD5207720; Thu Feb 01 15:25:14 2001
>Received: from [12.72.36.44] by web10814.mail.yahoo.com; Thu, 01 Feb 2001
>15:25:14 PST
>From ezpc_usa@yahoo.com Thu Feb 01 15:27:01 2001
>Message-ID: <20010201232514.94942.qmail@web10814.mail.yahoo.com>
>In-Reply-To: <F34uEhjJ8uT6Ssuot00000006d4@hotmail.com>

>

>

>Hi Scott,
>Just so you know for sure, we'll e-mail you when your
>funds or check arrives here. As of today, it has not.
>We're guessing Friday or Saturday.

>

>Best Regards,

>Ron

>

>

>Get personalized email addresses from Yahoo! Mail - only \$35
>a year! <http://personal.mail.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

13. February 6, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Re: Receipt of Funds
>Date: Tue, 6 Feb 2001 21:19:00 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.130.246] by hotmail.com (3.2) with ESMTTP id
>MHotMailBC4A2674006040043216D88882F60EA80; Tue Feb 06 21:21:57 2001
>Received: from [12.72.38.84] by web10804.mail.yahoo.com; Tue, 06 Feb 2001
>21:19:00 PST
>From ezpc_usa@yahoo.com Tue Feb 06 21:22:03 2001
>Message-ID: <20010207051900.88649.qmail@web10804.mail.yahoo.com>
>In-Reply-To: <F38Z2XOzGlzr1FUVhYc00002cc2@hotmail.com>

>
>Hi Scott,
>We must have "mis-sent" an e-mail on Saturday.
>Your check drawn on Security Network Bank arrived
>here on Saturday. We sent an e-mail late afternoon
>to confirm its receipt. Sorry you didn't get the
>notification. It hasn't bounced back yet, but better
>late than never in this case.

>
>Thanks again for your support.

>
>Best Regards,

>Ron

>
>
>--- Scott Brown <h20engr@hotmail.com> wrote:

> > Ron,

> >

> > Getting a little nervous have you received the

> > agreement and my check

> > yet?

> >

> > _____
> > Get your FREE download of MSN Explorer at

> > <http://explorer.msn.com>

> >

> >

> >

> > _____

> > Do You Yahoo!?

> > Yahoo! Auctions - Buy the things you want at great prices.

> > <http://auctions.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

14. February 27, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Re: Follow-Up
>Date: Tue, 27 Feb 2001 17:32:57 -0800 (PST)
>MIME-Version: 1.0
>Received: from [216.136.130.248] by hotmail.com (3.2) with ESMTP id
>MHotMailBC65A049005840043197D88882F804C10; Tue Feb 27 17:32:57 2001
>Received: from [12.72.61.19] by web10806.mail.yahoo.com; Tue, 27 Feb 2001
>17:32:57 PST
>From ezpc_usa@yahoo.com Tue Feb 27 17:33:51 2001
>Message-ID: <20010228013257.66180.qmail@web10806.mail.yahoo.com>
>In-Reply-To: <F38nWwAeRaNgEpTX5V30000ca2e@hotmail.com>
>
>Hi Scott,
>I've been attending a seminar this week for financial
>loan consulting. And yes, it has kept me busy.
>Everything is going quite well otherwise. And, your
>money is earning nice interest as we agreed.
>
>Talk to you later. Will be in contact if there's any
>developments which might be of interest to you.
>
>Best Regards,
>Ron
>
>
>--- Scott Brown <h20engr@hotmail.com> wrote:
> > Ron,
> >
> > Just trying to make contact. I'm assuming that
> > you're busy.
> >
> > Scott
> >
>
> > Get your FREE download of MSN Explorer at
> > <http://explorer.msn.com>
> >
>
>
>
>Do You Yahoo!?
>Get email at your own domain with Yahoo! Mail.
><http://personal.mail.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

15. July 2, 2001

>From: "Scott Brown" <h20engr@hotmail.com>
>To: ezpc_usa@yahoo.com
>Subject: Contract Completion
>Date: Mon, 02 Jul 2001 16:43:39 -0000
>MIME-Version: 1.0
>X-Originating-IP: [64.175.51.98]
>Received: from 64.175.51.98 by lw6fd.law6.hotmail.msn.com with HTTP; Mon, 02
>Jul 2001 16:43:39 GMT
>
>Hi Ron,
>
>Well it's that time when my contract with Intermerc is coming to a close.
>Unfortunately, I will not be able to renew my contract with you and am
>requesting that you return all funds to me. Based on the contract, the
>funds should total \$1,159.71. Please let me know the easiest way for you
>to return the funds.
>
>Scott L. Brown
>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

16. July 4, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: h20engr@hotmail.com
>Subject: About your E-mail
>Date: Wed, 4 Jul 2001 08:02:50 -0700 (PDT)
>MIME-Version: 1.0
>Received: from [216.136.130.243] by hotmail.com (3.2) with ESMTP id
>MHotMailBD0C7B1A0008400431A1D88882F30A420; Wed, 04 Jul 2001 08:02:53 -0700
>Received: from [38.29.212.99] by web10801.mail.yahoo.com; Wed, 04 Jul 2001
>08:02:50 PDT
>From ezpc_usa@yahoo.com Wed, 04 Jul 2001 08:03:16 -0700
>Message-ID: <20010704150250.29963.qmail@web10801.mail.yahoo.com>
>
>This is an automated response to a recent e-mail you
>sent us. We're on a brief summer vacation from July 1
>through July 8 and will be unable to respond to
>messages sent during this time. If your message
>requires a response or reply, please be assured we'll
>be responding to all messages upon our return
>beginning on July 9.
>
>Thank you in advance for your consideration.
>
>

>Do You Yahoo!?
>Get personalized email addresses from Yahoo! Mail
><http://personal.mail.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

17. July 11, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Re: Contract Completion
>Date: Wed, 11 Jul 2001 07:53:29 -0700 (PDT)
>MIME-Version: 1.0
>Received: from [216.136.130.250] by hotmail.com (3.2) with ESMTTP id
>MHotMailBD15B369001140043196D88882FA13300; Wed, 11 Jul 2001 07:53:29 -0700
>Received: from [64.154.139.135] by web10808.mail.yahoo.com via HTTP; Wed,
>11 Jul 2001 07:53:29 PDT
>From ezpc_usa@yahoo.com Wed, 11 Jul 2001 07:53:31 -0700
>Message-ID: <20010711145329.96884.qmail@web10808.mail.yahoo.com>
>In-Reply-To: <F140uSKqGABtvNLepTy0001041c@hotmail.com>

>
>Hi Scott,
>We've been away for about a week. This is the first
>opportunity I've had to respond to e-mails.

>
>We've put you in queue for completing the program.
>We automatically rollover the program on the 25th of
>each month for the next month. You'll earn another
>month's interest and be out by the end of this month.
>You should have your funds returned within the 1st
>5 days of August.

>
>Thanks for participating. By the way, we have what I
>believe is a new wrinkle to the program since you
>joined. We now pay a 1-1/2% referral fee for those in
>the program for referring new participants. The 1-1/2%
>is paid monthly for as long as the participant is in
>the program. It's also upgraded to match the
>participant's level if his participation increases by
>virtue of more funds.

>
>Thanks again! We'll be in touch when shortly before
>your funds are sent.

>
>Best Regards,
>Ron

>
>
>--- Scott Brown <h20engr@hotmail.com> wrote:

> > Hi Ron,

> >
> > Well it's that time when my contract with Intermarc
> > is coming to a close.
> > Unfortunately, I will not be able to renew my
> > contract with you and am
> > requesting that you return all funds to me. Based
> > on the contract, the
> > funds should total \$1,159.71. Please let me know
> > the easiest way for you to
> > return the funds.

> >
> > Scott L. Brown

> >

>

> > Get your FREE download of MSN Explorer at
> > <http://explorer.msn.com>
> >
>
>
>
>

>Do You Yahoo!?
>Get personalized email addresses from Yahoo! Mail
><http://personal.mail.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

18. August 6, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: h20engr@hotmail.com
>Subject: Transaction Completed
>Date: Mon, 6 Aug 2001 08:52:54 -0700 (PDT)
>MIME-Version: 1.0
>Received: from [216.136.130.244] by hotmail.com (3.2) with ESMTTP id
>MHotMailBD380856007D40043795D88882F409050; Mon, 06 Aug 2001 08:52:54 -0700
>Received: from [64.157.198.118] by web10802.mail.yahoo.com; Mon, 06 Aug
>2001 08:52:54 PDT
>From ezpc_usa@yahoo.com Mon, 06 Aug 2001 08:53:12 -0700
>Message-ID: <20010806155254.53422.qmail@web10802.mail.yahoo.com>
>
>Hi Scott,
>Just so you know, your principal and interest check
>was mailed on August 4th.
>
>Thanks again for your participation in the program.
>
>Best Regards,
>Ron
>
>
>Do You Yahoo!?
>Make international calls for as low as \$.04/minute with Yahoo! Messenger
><http://phonecard.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

19. August 13, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Re: Transaction Completed
>Date: Mon, 13 Aug 2001 06:49:55 -0700 (PDT)
>MIME-Version: 1.0
>Received: from [216.136.130.243] by hotmail.com (3.2) with ESMTTP id
>MHotMailBD412603000F40043213D88882F3045E0; Mon, 13 Aug 2001 06:49:55 -0700
>Received: from [64.157.197.138] by web10801.mail.yahoo.com; Mon, 13 Aug
>2001 06:49:55 PDT
>From ezpc_usa@yahoo.com Mon, 13 Aug 2001 06:51:25 -0700
>Message-ID: <20010813134955.79382.qmail@web10801.mail.yahoo.com>
>In-Reply-To: <F127TIFprhMOgRGkQ6m00000975@hotmail.com>
>
>Hi Scott,
>I was on the road most of last week or I would have
>been back to you sooner. To answer your question,
>we don't provide any reports to government agencies.
>Usually, we let you make the determination as to
>whether it affects your tax status.
>
>Thanks for your nice comments. It was a pleasure
>working with you.
>
>Best Regards,
>Ron
>
>
>--- Scott Brown <h20engr@hotmail.com> wrote:
> > Thanks Ron. Again, I'd like to thank you for the
> > opportunity that your
> > program has provided. I will definitely keep you in
> > mind for future
> > investments. One last question: Will you be
> > reporting my interest to the
> > IRS and send me tax documents for next year or will
> > I need to report on my
> > own?
> >
> > Scott
> >
> >
> > >From: Ron at EzPC <ezpc_usa@yahoo.com>
> > >To: h20engr@hotmail.com
> > >Subject: Transaction Completed
> > >Date: Mon, 6 Aug 2001 08:52:54 -0700 (PDT)
> > >MIME-Version: 1.0
> > >Received: from [216.136.130.244] by hotmail.com
> > >(3.2) with ESMTTP id
> > >MHotMailBD380856007D40043795D88882F409050; Mon, 06
> > >Aug 2001 08:52:54 -0700
> > >Received: from [64.157.198.118] by
> > >web10802.mail.yahoo.com; Mon, 06 Aug
> > >2001 08:52:54 PDT
> > >From ezpc_usa@yahoo.com Mon, 06 Aug 2001 08:53:12
> > >-0700
> > >Message-ID:

ACC00074
S-3448-A

> > <20010806155254.53422.qmail@web10802.mail.yahoo.com>
> > >
> > >Hi Scott,
> > >Just so you know, your principal and interest check
> > >was mailed on August 4th.
> > >
> > >Thanks again for your participation in the program.
> > >
> > >Best Regards,
> > >Ron
> > >
> > >
> > >Do You Yahoo!?
> > >Make international calls for as low as \$.04/minute
> > >with Yahoo! Messenger
> > ><http://phonecard.yahoo.com/>
> > >
> > >
> > >
> > >
> > >Get your FREE download of MSN Explorer at
> > ><http://explorer.msn.com/intl.asp>
> > >
> > >
> > >
> > >
> > >Do You Yahoo!?
> > >Send instant messages & get email alerts with Yahoo! Messenger.
> > ><http://im.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

20. August 20, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: Scott Brown <h20engr@hotmail.com>
>Subject: Re: Transaction Completed
>Date: Mon, 20 Aug 2001 07:57:06 -0700 (PDT)
>MIME-Version: 1.0
>Received: from [216.136.130.247] by hotmail.com (3.2) with ESMTTP id
>MHotMailBD4A701F00C940042A10D88882F7095D0; Mon, 20 Aug 2001 07:56:31 -0700
>Received: from [64.154.136.167] by web10805.mail.yahoo.com; Mon, 20 Aug
>2001 07:57:06 PDT
>From ezpc_usa@yahoo.com Mon, 20 Aug 2001 07:57:56 -0700
>Message-ID: <20010820145706.36772.qmail@web10805.mail.yahoo.com>
>In-Reply-To: <F14469aZbLAX3cf3edn000020ae@hotmail.com>

>
>Hi Scott,
>I'm sorry not to be in contact with you sooner. I was
>on the road most of last week. I didn't get back until
>yesterday. Your envelope was returned to us on Friday
>or Saturday. My helper had addressed it to Fresno
>instead of Sacramento. I believe the last line of the
>address was stored in our word processing program
>incorrectly and she wasn't aware of the mistake.
>
>The error was corrected and it's back in the mail
>today. I apologize for this foul up. Your patience is
>truly appreciated.

>
>Best Regards,
>Ron
>--- Scott Brown <h20engr@hotmail.com> wrote:
> > Ron,
> >
> > I haven't received the check yet. Can you verify
> > that it was sent on August
> > 4th?
> >
> > Thanks,
> >
> > Scott

> >
> > >From: Ron at EzPC <ezpc_usa@yahoo.com>
> > >To: Scott Brown <h20engr@hotmail.com>
> > >Subject: Re: Transaction Completed
> > >Date: Mon, 13 Aug 2001 06:49:55 -0700 (PDT)
> > >MIME-Version: 1.0
> > >Received: from [216.136.130.243] by hotmail.com
> > (3.2) with ESMTTP id
> > >MHotMailBD412603000F40043213D88882F3045E0; Mon, 13
> > Aug 2001 06:49:55 -0700
> > >Received: from [64.157.197.138] by
> > web10801.mail.yahoo.com; Mon, 13 Aug
> > >2001 06:49:55 PDT
> > >From ezpc_usa@yahoo.com Mon, 13 Aug 2001 06:51:25
> > >-0700
> > >Message-ID:
> > <20010813134955.79382.qmail@web10801.mail.yahoo.com>

> > >In-Reply-To:
> > <F127TIFprhMOgRGkQ6m00000975@hotmail.com>
> > >
> > >Hi Scott,
> > >I was on the road most of last week or I would have
> > >been back to you sooner. To answer your question,
> > >we don't provide any reports to government
> > >agencies.
> > >Usually, we let you make the determination as to
> > >whether it affects your tax status.
> > >
> > >Thanks for your nice comments. It was a pleasure
> > >working with you.
> > >
> > >Best Regards,
> > >Ron
> > >
> > >
> > >--- Scott Brown <h20engr@hotmail.com> wrote:
> > > > Thanks Ron. Again, I'd like to thank you for
> > > the
> > > > opportunity that your
> > > > program has provided. I will definitely keep
> > > you in
> > > > mind for future
> > > > investments. One last question: Will you be
> > > > reporting my interest to the
> > > > IRS and send me tax documents for next year or
> > > will
> > > > I need to report on my
> > > > own?
> > > >
> > > > Scott
> > > >
> > > >
> > > > >From: Ron at EzPC <ezpc_usa@yahoo.com>
> > > > >To: h20engr@hotmail.com
> > > > >Subject: Transaction Completed
> > > > >Date: Mon, 6 Aug 2001 08:52:54 -0700 (PDT)
> > > > >MIME-Version: 1.0
> > > > >Received: from [216.136.130.244] by hotmail.com
> > > > >(3.2) with ESMTTP id
> > > > >MHotMailBD380856007D40043795D88882F409050; Mon,
> > > > 06
> > > > > Aug 2001 08:52:54 -0700
> > > > >Received: from [64.157.198.118] by
> > > > >web10802.mail.yahoo.com; Mon, 06 Aug
> > > > >2001 08:52:54 PDT
> > > > >From ezpc_usa@yahoo.com Mon, 06 Aug 2001
> > > > >08:53:12
> > > > >-0700
> > > > >>Message-ID:
> > > > >
> > > > ><20010806155254.53422.qmail@web10802.mail.yahoo.com>
> > > > >
> > > > >>Hi Scott,
> > > > >>Just so you know, your principal and interest
> > > > >check

> > > > >was mailed on August 4th.
> > > > >
> > > > >Thanks again for your participation in the
> > program.

> > > > >
> > > > >Best Regards,
> > > > >Ron

> > > > >
> > > > >

> > >

> > > > >Do You Yahoo!?
> > > > >Make international calls for as low as
> > \$.04/minute
> > > > with Yahoo! Messenger
> > > > ><http://phonecard.yahoo.com/>

> > > > >

> > > > >

> > > > >

> > >

> > >

> > > > >Get your FREE download of MSN Explorer at
> > > > ><http://explorer.msn.com/intl.asp>

> > > > >

> > >

> > >

> > >

> > >

> > >Do You Yahoo!?
> > >Send instant messages & get email alerts with
> > Yahoo! Messenger.
> > ><http://im.yahoo.com/>

> > >

> > >

> > >

> > >

> > >Get your FREE download of MSN Explorer at
> > ><http://explorer.msn.com/intl.asp>

> > >

> > >

> > >

> > >

>Do You Yahoo!?

>Make international calls for as low as \$.04/minute with Yahoo! Messenger
><http://phonecard.yahoo.com/>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

21. October 18, 2001

>From: Ron at EzPC <ezpc_usa@yahoo.com>
>To: h20engr@hotmail.com
>Subject: Update
>Date: Thu, 18 Oct 2001 09:38:49 -0700 (PDT)
>MIME-Version: 1.0
>Received: from [216.136.130.248] by hotmail.com (3.2) with ESMTP id
>MHotMailBD98509900C5400431C8D88882F80F090; Thu, 18 Oct 2001 09:38:50 -0700
>Received: from [63.224.145.178] by web10806.mail.yahoo.com via HTTP; Thu,
>18 Oct 2001 09:38:49 PDT
>From ezpc_usa@yahoo.com Thu, 18 Oct 2001 09:39:39 -0700
>Message-ID: <20011018163849.88433.qmail@web10806.mail.yahoo.com>
>
>Hi Scott,
>Terribly sorry I haven't got back to you sooner.
>We've run into somewhat of a legal problem with what
>we've been doing insofar as financing the business.
>
>It appears as though we are supposed to be licensed
>securities dealers in order to sell notes as we have
>been doing. Now, this was an issue which we thought we
>had researched and done a reasonable amount of
>fact-finding to ensure there were no requirements to
>register or seek any sort of licensing. However, the
>Arizona Corporation Commission says we are required to
>be licensed. They issued us a temporary cease and
>desist order. While this order was in effect and our
>specific case was being negotiated, we were prevented
>from conducting business. In fact, I wasn't sure if I
>was supposed to be even communicating with clients
>like yourself.
>
>Now, that the situation seems to be nearing a
>satisfactory resolution. We can turn our attention to
>returning your funds. Please bear with me while we
>determine if we're clear to do so. I promise we will
>do this just as fast as possible. I will be back to
>you early next week.
>
>Thanks for your patience and cooperation.
>
>Best Regards,
>Ron
>
>

>Do You Yahoo!?
>Make a great connection at Yahoo! Personals.
><http://personals.yahoo.com>

Get your FREE download of MSN Explorer at <http://explorer.msn.com/intl.asp>

SECURITY AGREEMENT FOR INVESTMENT FUNDS AND ASSIGNMENT OF NOTES

1. CREATION OF SECURITY INTEREST. Ron Fanzo representing and hereafter known as InterMarc, Inc., grants to Scott Brown, his successors and assigns, hereafter known as SB, a security interest in the debt instruments described in Section 3 to secure all present and future obligations and liabilities of whatever nature to SB.

2. AMOUNT SECURED. The amount secured by this Security Agreement is US\$1,000.00.

3. DESCRIPTION OF SECURITY. The Debt Instruments securing this investment transaction are as follows:
*At least Three and Various Promissory Notes, At least Three and Various Security Agreements
At least Three and Various UCC-1 Filings if applicable with all of the above documents relating to the same payors
and in value greater than the total amount invested as outlined in Section 5.*

4. WARRANTIES. InterMarc Inc. warrants:

a. Ownership-The Security Instruments named above are free of all encumbrances and security interests other than InterMarc's security interest. b. Use of Funds - The advance funding provided by SB through the consignment of these security instruments will be used by InterMarc to purchase and otherwise expand the operation through the acquisition of various properties, items and other debt instruments.

5. YIELD. For the delivery of the principal sum invested, SB will receive US\$1,159.71, through a six month term. This return on investment of 30 % APR will be delivered to SB beginning February 20, 2001 and will continue for six consecutive months. Automatic monthly rollover of principal and return on principal will result in the following payment schedule: February 20 (\$1,000) \$25.00, March 20 (\$1025) \$25.63, April 20 (\$1,050.63) \$26.27, May 20 (\$1,076.90) \$26.92, June 20 (\$1,103.82) \$27.60, and July 20 (\$1,131.42) \$28.29 for an ending balance of \$1,159.71. All months and dates occur within the year 2001.

6. RECOURSE. InterMarc will provide Recourse on default of payments on any and all notes covered in this Agreement. Default or Nonperformance will be declared when a payor fails to render payment after 60 days of due date. Cure or relief from Default or Nonperformance will be the exchange or substitution of cash equal to the amount invested plus 55% of the amount invested.

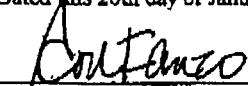
7. CONFIDENTIALITY. InterMarc will not divulge, disclose or publish the investors identity, address, amount of investment, earnings, or any other information pertinent to the mutual undertaking contained in this Agreement without the express written permission of SB.

8. MODIFICATION. InterMarc will agree to honor and abide by changes and/or corrections executed by SB to this Agreement regarding dates, addresses, assigns and other information pertinent to the mutual undertaking contained in this Agreement following verbal notification and agreement between the two parties.

9. WITHDRAWAL OF FUNDS. Retrieval of principal funds and return on funds either in full or part is available at any time with reasonable notice delivered by writing, e-mail, or fax transmission to InterMarc. The parties to this Agreement define reasonable notice as any given month whereby such a request is presented by the 15th day of that month for the requested amount of funds to be delivered by the last business day of that same month.

10. GUARANTY. For value received, and in consideration of the mutual undertaking contained in this Agreement by and between InterMarc, Inc. and SB, the undersigned unconditionally guarantees to SB and his successors and assigns the full and prompt payment when due of all of the obligations of every kind of nature arising directly or indirectly out of the Agreement or any document or agreement executed and delivered by InterMarc, Inc. in accordance with the terms of this Agreement. The undersigned further agrees to pay SB all expenses paid or incurred by SB in collecting such obligations: including reasonable attorney's fees and court costs, and in enforcing this Guaranty.

Dated this 20th day of January, 2001.


Ron Fanzo for InterMarc, Inc.
7127 E. Becker Lane, Suite 90
Scottsdale, Arizona 85254


Scott Brown

1/31/00

EXHIBIT

5-7 A

Admitted

ACC00081

S-3448-A

BEFORE THE ARIZONA CORPORATION COMMISSION
SECURITIES DIVISION

IN THE MATTER OF:

No. S-03448A-01-0000

RONALD L. FANZO
d/b/a INTERMARC MARKETING
7127 East Becker Lane, Ste. 90
Scottsdale, AZ 85254

RONALD L. FANZO
d/b/a CASHFLOWS
14008 East Cameo Drive, #1
Fountain Hills, AZ 85268

RONALD L. FANZO
14008 East Cameo Drive, #1
Fountain Hills, AZ 85268

Respondents.

EXAMINATION UNDER OATH OF

RONALD LEE FANZO

Phoenix, Arizona
September 26, 2001

EXHIBIT

S-8

Admitted

ARIZONA REPORTING SERVICE, INC.

Court Reporting
Suite Three

2627 North Third Street
Phoenix, Arizona 85004-1103

By: CAROLYN T. SULLIVAN, RPR
CCR No. 50528

Prepared for:

ACC

CERTIFIED COPY
(When in red)

ARIZONA REPORTING SERVICE, INC.
Realtime Specialists

(602) 274-9944
Phoenix, AZ



1 I N D E X

2 WITNESS PAGE

3 RONALD LEE FANZO

4 Examination by Ms. DeLaRosa 4
5 Examination by Mr. Leifer 48

6

7

8

9

10

11

12

13

14

15 INDEX TO EXHIBITS

16 NO. DESCRIPTION MARKED IDENTIFIED

17 1 Subpoena served upon 4 13
18 Ronald L. Fanzo

19 2 Sample Security Agreement 15 15

20 3 CashFlows home page 22 22

21 4 Intermerc home page 33 33

22 5 Printed e-mails 48 48

23

24

25

26

27

1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before
3 the Securities Division of the Arizona Corporation
4 Commission, 1300 West Washington Street, Phoenix,
5 Arizona, commencing at 9:43 a.m., on September 26,
6 2001.

7

8 APPEARANCES:

9 For the Arizona Corporation Commission:

10 Ms. Kathleen Coughenour DeLaRosa
11 Attorney, Securities Division
12 1300 West Washington
Phoenix, Arizona 85007

12

13 For Respondent Fanzo:

14 Mr. Ronald L. Fanzo
15 In Propria Persona
16 14008 East Cameo Drive, #1
Fountain Hills, Arizona 85268

16

17 ALSO PRESENT:

18 Mr. David Leifer, Investigator, Securities
19 Division

19

20

21

22

23

24

25

1 MS. DeLaROSA: This is a part of an inquiry
2 by the Securities Division of the Arizona Corporation
3 Commission in the matter of Ronald Fanzo, dba
4 Intermerc Marketing and dba CashFlows, No.
5 S-03488A-01-000, in order to determine if there's been
6 full compliance with the Investment Management Act and
7 the Securities Act of the State of Arizona. The
8 information obtained today may or may not reveal
9 violations of statutes outside those acts.

10 Persons present are myself, Kathleen
11 Coughenour DeLeRosa, Staff attorney for the Securities
12 Division; David Leifer, investigator for the
13 Securities Division; and the witness, Ronald Fanzo.

14 The witness is appearing today pursuant to a
15 subpoena issued and served by the Securities Division.

16 Will the reporter please administer the oath
17 to the witness.

18

19

20

21

22

23

24

25

1 RONALD LEE FANZO,
2 called as a witness herein, having been first duly
3 sworn by the Certified Court Reporter to speak the
4 whole truth and nothing but the truth, was examined
5 and testified as follows:

6

7 EXAMINATION

8

9 Q. (BY MS. DeLaROSA) Mr. Fanzo, let me give you
10 the usual advisories provided to examination
11 witnesses.

12 You have the right to refuse to answer any
13 questions if you think the answer may tend to
14 incriminate you. By incriminate, I mean subject you
15 to the possibility of criminal prosecution.

16 You can also refuse to produce any private
17 papers which you feel may tend to incriminate you.
18 But you cannot refuse to produce records of a
19 corporation because of a claim of self-incrimination.

20 You have a right to be represented by legal
21 counsel. Are you ready to proceed without an attorney
22 to counsel you?

23 A. Yes, I am.

24 Q. If at any time you feel you need legal
25 counsel, please tell me immediately, and we will stop

1 this interview to allow you to obtain an attorney.
2 Until you tell me to stop for that reason, it will be
3 assumed that you're waiving your right to have counsel
4 present at this time. Do you understand that?

5 A. I understand that.

6 Q. Since your testimony is being recorded,
7 please respond verbally as opposed to nodding or
8 shaking your head. Also, please let me finish my
9 question before you begin to respond so the reporter
10 won't be confused by two people speaking at the same
11 time. She's good, but she's not good enough to get
12 two of us simultaneously.

13 If you don't clearly hear a question or don't
14 understand what's being asked, please say so, and the
15 reporter will repeat it, or I will explain the
16 question further.

17 The reporter will formally go off the record
18 only at my direction. If you would like to go off the
19 record for any reason, please tell me, and I'll try to
20 accommodate you.

21 Since you're now under oath, any false
22 statements you make knowingly can subject you to
23 administrative penalties by this agency as well as
24 criminal prosecution of perjury or false swearing,
25 both of which are felony offenses in Arizona.

1 Do you understand the information I've
2 provide thus far?

3 A. Yes, I do.

4 Q. Do you have any questions about anything I've
5 said?

6 A. Not at this point.

7 Q. Are you on any medication or under any
8 physical disability that might interfere with your
9 memory or your ability to understand and answer
10 questions today?

11 A. No, I'm not.

12 Q. Please state your full name, including any
13 middle name or initials.

14 A. My full name is Ronald Lee, L-e-e, Fanzo,
15 F-a-n-z-o.

16 Q. Have you ever used any other name?

17 A. No. Nicknames, things like that.

18 Q. Like Ron?

19 A. Yeah.

20 Q. What was your date of birth?

21 A. October 12th, 1951.

22 Q. And your place of birth?

23 A. Pittsburgh, Pennsylvania.

24 Q. What's your current home address?

25 A. 13020 North 96th Place, Scottsdale, Arizona

1 85260.

2 Q. How long have you lived there?

3 A. About five months.

4 Q. Do you expect to change your residential
5 address in the next six months?

6 A. No, I do not.

7 Q. Do you receive mail at any other address,
8 such as a P. O. box?

9 A. Yes, I do.

10 Q. And what's that address?

11 A. That address is 7127 East Becker Lane, No.
12 90, Scottsdale, Arizona 85254.

13 Q. Is that a mail drop or --

14 A. Basically a mail receiving service, yes.

15 Q. Where did you live before your current
16 address?

17 A. 13454 North 103rd Street, Scottsdale, Arizona
18 85260.

19 Q. And how long did you live there?

20 A. Roughly one year and two or three months.

21 Q. What's your current home phone number?

22 A. 480-657-0899.

23 Q. Do you have a mobile phone or a cell phone
24 that you use for personal or business calls?

25 A. Yes, I do.

1 Q. What's that number?

2 A. 480-221-2364.

3 Q. Do you have a home fax number?

4 A. No.

5 Q. Although you may decline as a right under
6 federal law, I request your Social Security number
7 solely for identification purposes.

8 A. 163-44-4750.

9 Q. What's your current marital status?

10 A. I'm married.

11 Q. What's the full name of your spouse?

12 A. Judith Marian Fanzo.

13 Q. What was her maiden name?

14 A. Gothe, G-o-t-h-e.

15 Q. And when were you married?

16 A. I was married on June 19th, 1976.

17 Q. Have you ever been married prior to this
18 marriage?

19 A. No.

20 Q. Do you have any natural or adopted children?

21 A. No, I do not.

22 Q. Do you have a profession or occupation
23 currently?

24 A. Well, my educational training and a fair
25 amount of my professional experience was within art,

1 the field of art and design.

2 Q. What are you doing currently?

3 A. Currently, I'm trying to obtain work by doing
4 decorative painting for residences and businesses.

5 Q. Are you employed anywhere currently?

6 A. Self-employed.

7 Q. So your current business address would be
8 your home address; is that correct?

9 A. Yes.

10 Q. Were you previously employed?

11 A. Yes. I was employed -- I can't give you the
12 exact dates, but I was employed through an art gallery
13 that I also owned, but it was owned under corporation.

14 Q. What gallery was that?

15 A. It was called Fanzo-Fromkin Galleries,
16 F-r-o-m-k-i-n.

17 Q. And where was that located?

18 A. That was at 7136 East Main Street,
19 Scottsdale. I think the zip code was 85251.

20 Q. And when was that that you were employed
21 there, what period of time?

22 A. It was roughly from the spring -- February,
23 March, April of '97, and I can't really give you even
24 the month of the year that that ended.

25 Can I offer -- this will kind of shed some

1 light on where I'm coming from. I can either just
2 offer this to you to read or I can read it into the
3 record. I don't know how you want to do this. But it
4 will give you some insight on what's basically
5 happened with me in the last few years.

6 Q. This is kind of a biographical statement
7 regarding the past few years?

8 A. Basically, yes. It will shed some light as
9 to why I'm kind of hazy on certain dates and things.

10 MS. DeLaROSA: Let's go off the record for a
11 minute.

12 (20-minute recess taken.)

13 Q. (BY MS. DeLaROSA) Mr. Fanzo, you have handed
14 us a couple of documents while we were off the record.
15 One is kind of a historical sketch of the last few
16 years, things that -- events that have happened in
17 your life that led to your starting this business that
18 you're here about.

19 A. Right.

20 Q. You've handed me a list of three investors
21 with money amounts, and you indicated those are
22 amounts you owe these investors.

23 A. That's correct.

24 Q. Were there other investors besides these
25 folks who bought notes and were paid off prior to

1 this?

2 A. Yes, there was an individual in Texas, Hector
3 Garza.

4 MR. LEIFER: I'm sorry, Hector --

5 THE WITNESS: Garza.

6 Q. (BY MS. DeLaROSA) G-a-r-z-a?

7 A. Yes.

8 Q. Do you have his address, also? Did you bring
9 that with you?

10 A. No, I hadn't thought of Hector for a while.
11 He lives in Eagle Pass, Texas. I can get more
12 information for him.

13 Q. I would need that information.

14 Were there any other investors besides
15 Mr. Garza and Mr. Brown, Mr. Wargin, and Mr.
16 Presnielo, any other folks who purchased notes from
17 you?

18 A. Christiaan Davidson.

19 Q. And where is he located?

20 A. He's in Tucson.

21 Q. Now, with respect to Mr. Garza and
22 Mr. Davidson, they purchased notes. Have those notes
23 been paid off?

24 A. No. I'm still in the process of paying
25 those. Although Mr. Davidson's situation, he was

1 interested in doing another business with me that did
2 not involve notes and that he was contemplating the
3 possibility that he would just kind of use that money
4 to go into the other business with me.

5 Q. So do you know how much money Mr. Davidson
6 invested with you?

7 A. He invested \$5,000.

8 Q. Has he received any of that money back?

9 A. Yes, he's received \$750 back.

10 Q. So he is still owed \$4,250?

11 A. Yes.

12 Q. How about Mr. Garza? How much did he invest
13 with you?

14 A. I think he invested \$4,500.

15 Q. And how much was he paid?

16 A. He was paid back \$5,000 -- I think \$5,100.

17 Q. So he was paid in full?

18 A. Yes.

19 Q. Did you -- we asked in our subpoena -- let me
20 show you what's been marked as Exhibit 1 here. One of
21 the things we asked for in the subpoena was bank
22 records. Did you bring those?

23 A. No. My bank account was closed back in July.

24 Q. What bank was that account with?

25 A. That was Bank of America.

1 Q. Do you have the account number?

2 A. Not in my mind. I can get the number for
3 you.

4 Q. Okay. I would need that because we can
5 obtain the records from Bank of America.

6 Mr. Leifer and I have been discussing making
7 an offer of settlement based on what you'd given to
8 us. We need more information to be able to do that.
9 The general terms of a settlement with the Division
10 would be that you would be required to pay restitution
11 to the investors and you would be required to pay an
12 administrative penalty. By statute, the
13 administrative penalty can be \$2,500 for each sale of
14 a note. However, because of your cooperation, I would
15 recommend to the Division -- and I can't guarantee
16 this because all I'm doing is recommending it, but I
17 would recommend that they only impose a \$5,000 penalty
18 rather than however many, 20, 30,000, whatever it
19 would end up being. But we have to determine with
20 some accuracy who your investors are and how much they
21 invested and how much money went back and forth.

22 What information did you bring with you
23 that's responsive to the subpoena?

24 A. I really don't have very much information. I
25 filled in the blanks the best I could in the places

1 where you requested that kind of information, but I
2 don't keep e-mails. I don't print them out.

3 Q. Okay. You did bring the statement of
4 financial condition. Good.

5 Do you have copies of any of the promissory
6 notes you sold or would your investors have those?

7 A. No, I -- when I moved the last time back in
8 April or May, that was all kind of -- wasn't going
9 with me when I moved, so I don't have any of that.

10 Q. Was that left in the old house or --

11 A. No, it was just tossed out.

12 Q. Let's mark this as Exhibit 2.

13 (Exhibit No. 2 was marked for
14 identification.)

15 Q. (BY MS. DeLaROSA) Showing you what's been
16 marked as Exhibit 2, does that appear to be a true and
17 correct copy of a security agreement for investment
18 funds that you used when selling these promissory
19 notes?

20 A. Yes.

21 Q. And this particular one appears to be dated
22 10th December 2000 and involved Christiaan Davidson in
23 Tucson?

24 A. That's correct, yes.

25 Q. And you indicated to me that he invested

1 5,000. This security agreement does show that.

2 A. Yes.

3 Q. Did you use similar security agreements with
4 the other investors?

5 A. Yes. Almost identical.

6 Q. Presumably, they would have copies of the
7 security agreements?

8 A. I would think so.

9 Q. Were there any other documents provided to
10 investors other than the security agreement?

11 A. Not that I recall, no.

12 Q. Now, the notes that these folks purchased, am
13 I correct, were from the sale of computer systems?

14 A. Yes.

15 Q. How did that work, the sale of the computer
16 system?

17 A. The way it was intended to work was that I
18 would create a -- you know, like an installment
19 contract. And as a part of the installment contract
20 was a promissory note that they would make X number of
21 dollars payments monthly for terms that would range
22 anywhere from 36 to 48 months.

23 Most of the applicants that I dealt with were
24 people who were I guess what they call subprime, they
25 were not good credit people and they normally would

1 have problems obtaining credit. So my concept of a
2 way to finance them would be to use investors' monies
3 to purchase the equipment which they were buying. And
4 then after they received the equipment and were making
5 payments and those contracts were what they call
6 seasoned, then there were institutional types of
7 investors and companies that would come in and
8 purchase those.

9 Q. Okay. That was the concept. Did it work
10 that way?

11 A. No, it didn't work that way.

12 Q. How many of the systems did you actually
13 sell?

14 A. None.

15 Q. None. Okay.

16 You obtained money from -- now, Hector Garza
17 was paid back. How was he paid back?

18 A. Through money that I was earning otherwise.

19 Q. So you sold none of the computer systems
20 through the Web site?

21 A. No, I couldn't make deliveries on the systems
22 that I had sold primarily based upon the quality of
23 the customers that I had.

24 Q. What was the system supposed to be? I mean,
25 software, hardware?

1 A. It was a full system that consisted of
2 central processing unit, a monitor, a printer,
3 scanner, software that supported different types of
4 business applications. Because the program was
5 basically designed to help people who wanted to
6 establish some sort of a business that was either
7 computer based or Internet based. And that could have
8 been desktop publishing or Web site design or
9 bookkeeping or business writing. And depending on
10 what they chose to do with it or any e-commerce type
11 of business where they had a cyber storefront.

12 When the system would come, it was kind of
13 custom tailored to what they were interested in doing.
14 So in addition to the basic hardware, which sometimes
15 might have -- and, again, this was the concept in
16 theory, but I had designed packages to address
17 different markets in different business disciplines.
18 So in some instances, if there was an application for
19 like a digital camera, then it might consist of a
20 digital camera, as well.

21 And my professional background, I said
22 earlier that I was trained as an artist and designer.
23 I applied those skills primarily to the advertising,
24 marketing, public relations businesses, and I had
25 about 20 years' experience in that when I lived back

1 East. So I had a lot of experience in working with
2 people as a consultant in advising them and so forth.

3 In addition to the hardware and software,
4 then my idea was to provide a consulting package that
5 I could help them establish the business to give them
6 some insight into how the market is, find suppliers,
7 and develop identities and branding and all those
8 types of things.

9 Q. But you were not able to sell any of the
10 systems?

11 A. No. My respondents to the advertising that I
12 did to find customers for the systems seemed to have
13 fallen into categories that were getting to be kind of
14 predictable. I was getting a lot of divorced women
15 who were single moms. And they had credit problems.
16 They had desires to be able to stay at home with their
17 children and do some sort of work out of their homes.
18 I also had a lot of handicapped people who were
19 basically not that mobile. And it was their intention
20 to try and develop a lot with it from home.

21 And I also had some people that were already
22 established in the business but were having
23 difficulties with -- in some cases they might have
24 already had a retail storefront, and they saw the
25 opportunity to develop an Internet-based business as

1 an extension of that storefront and might propel sales
2 and make the business more viable. So that was
3 probably a third category that I had.

4 Q. And so why was it that the sales of systems
5 never got off the ground?

6 A. It really came down to a matter of credit,
7 primarily a credit issue most often. This really was
8 very much a learn-as-I-went process. And a lot of
9 times I was misdirected or misguided by people I was
10 working with in the financial community.

11 I'm talking about brokers mainly who would
12 represent companies like -- there's a company in
13 California called Monterey Financial Services. And
14 that is their business. They purchase installment
15 contracts, consumer oriented, primarily. And I'm
16 giving this to you as a for instance. I was
17 introduced to them by our broker initially, who
18 basically advertised to me that they took all credit
19 grades and that, for instance, the way that works is
20 that they purchase the contracts on a discount basis.
21 So the better the credit rating of a person, if they
22 had A credit, then the discount was smaller. They
23 might advance to you 70 percent of what the contract
24 was worth, and then they would hold 15 percent in
25 reserve which they would pay out six months from the

1 date that was paid as long as the payments were made.
2 And then there was like a sliding scale. So it went
3 down to B, C, and D credit. The worse the credit
4 situation, the bigger the discount. So you might be
5 looking at selling a contract at 40 percent or 50
6 percent of its actual face value.

7 So I was going on information like that. And
8 then when I actually started to put it into practice,
9 I found out that in a lot of cases, that wasn't the
10 case.

11 Specifically, for instance, in the case of
12 Monterey Credit, they only took A credit. They would
13 consider B credit in certain situations, but it was
14 after they reviewed the customer's credit profile and
15 found out why, what the derogatory information was,
16 they would basically make an adjustment as to why it
17 was there.

18 So I went and did a lot of -- I was sent on a
19 wild goose chase a lot of times.

20 Q. Did a lot of prequalifying, and nobody ever
21 qualified?

22 A. Yeah.

23 Q. And what was done, then, with -- okay.
24 You've got like the money that you received from these
25 investors. What was done with that?

1 A. I used some of it for advertising because I
2 could see that it was -- in terms of making sales to
3 customers, it was a very advertisement-driven
4 business. The more I advertised, the greater the
5 likelihood I was going to have of finding customers.
6 So I did some advertising in newspapers and magazines.
7 And I also used some of the money to meet my expenses,
8 which were living expenses which I needed to do so I
9 could continue to perpetuate the business.

10 (Exhibit No. 3 was marked for
11 identification.)

12 Q. (BY MS. DeLaROSA) Let me show you what's
13 been marked as Exhibit 3. Do you recognize that Web
14 site?

15 A. Yes, I do.

16 Q. Was that a Web site in which you had some
17 participation?

18 A. Yes. It was a Web site that I had
19 constructed and posted. And I used it as a Web site
20 to refer prospective investors to -- I would do some
21 posting on the Internet through news groups. And
22 there was one Web site that was specifically geared to
23 the note market. And I would use that Web site as a
24 means to explain more of information that I was
25 publishing in terms of the postings.

1 Q. And this Web site is -- it offers to pool
2 investors and purchase notes with it.

3 Now, were you intending to utilize the money
4 that you generated through this Web site for the
5 computer business?

6 A. Yes.

7 Q. Now, it says here on the Web site that you
8 send them six checks and an investment agreement.

9 A. Right.

10 Q. Was that what you did in every case?

11 A. Not with some of the earlier people. It was
12 something that I started I think it was late last
13 year.

14 Q. How many folks -- do you have any idea how
15 many folks contacted you as a result of the Web site?

16 A. It wasn't very many. Maybe half a dozen
17 people.

18 Q. Did any of those people invest?

19 A. No. Christiaan Davidson was the last
20 investor that I had come into the program.

21 Q. When did you put the Web site up?

22 A. As best I can remember, I'm going to say it
23 was last summer, July, August, September area. I
24 could be wrong about that, but that seems to be when I
25 think I did it.

1 Q. About a year ago, then?

2 A. Yeah.

3 MR. LEIFER: Who is Giovanni Fleury?

4 THE WITNESS: He's an investment firm out of
5 New York, and he ran -- if you're familiar with
6 affiliate programs on the Internet where let's say you
7 have an Internet Web site and you want to make money
8 from having a Web site and having traffic come to your
9 Web site, there are companies like Amazon.com, and
10 they pioneered the concept. EBay, a multitude.
11 There's thousands and thousands of them. But
12 basically, what they do is if you -- the way it works
13 in an affiliate program is if you give that company,
14 that sponsoring program, some sort of a presence on
15 your Web site, and that leads to a visitor to your Web
16 site in turn going to their Web site and doing
17 business with them, then you're paid commission, a
18 percentage or something like that. And it's a very
19 common Internet marketing strategy is to develop
20 affiliate programming. It's a traffic moving
21 exercise.

22 Q. (BY MS. DeLaROSA) So was he your affiliate
23 or were you his?

24 A. I was his. I don't know Giovanni Fleury.
25 Fleury is F-l-e-u-r-y Investments in New York.

1 Q. So you never met Giovanni Fleury?

2 A. No.

3 Q. You just basically kind of rented part of his
4 Web space?

5 A. No, I didn't rent his Web space.

6 Q. How does this work, then?

7 A. The way it works is a company like Giovanni
8 Fleury Web sites -- and, again, this could be
9 Amazon.com, eBay, J. C. Penney, American Airlines, you
10 name it, they all have affiliate programs. Basically,
11 if you search or navigate around their corporate Web
12 sites, you'll see a direction to click to their
13 affiliate program or their partner program. And you
14 go to that part of the Web site, and it's all down
15 online, there's an online form that you fill out, and
16 you give them all of your information in terms of who
17 you are and where your Web site is. The
18 questionnaires that are developed differ, but it's
19 basically all done online. And basically, after
20 you're signed up, they direct you to another section
21 of the Web site where they store advertising tools,
22 which would be like banners and different types of
23 designs and things that you would put on your Web site
24 which would be attractive to someone that would visit
25 your Web site. And they would click on that, and that

1 would take them to their main Web site, and that's how
2 you might be directing business to them.

3 Q. So basically, I kind of had it backwards.
4 Giovanni Fleury was basically renting space on your
5 Web site more or less.

6 A. More or less. He had a presence there.
7 There was no transaction involved unless someone went
8 from this Web site to his Web site and did business
9 with his firm.

10 Q. But if they did, then he would pay you some
11 sort of commission?

12 A. Right. Because there's -- they have -- in
13 the programming, when they assign you an account and
14 they give you a banner, then they assign you an
15 account number. And when the person clicks on that,
16 it's tracked so they know where the traffic came from,
17 and that's how you get credit for sending that person
18 to the Web site.

19 Q. Who posted this Web site?

20 A. Freeservers.com.

21 MR. LEIFER: What's your computer background?

22 THE WITNESS: I guess you'd say I'm primarily
23 self-taught. I only really got acquainted with the
24 Internet about two to three years ago when I had the
25 gallery. In fact, when I had the gallery, I developed

1 an online gallery where I sold some of the items that
2 we had in the gallery and had like a retail Web site.
3 And in the process of doing that, that's how I
4 acquired most of my knowledge and information about
5 computers and the Internet. Because I've always had
6 an interest and a background in advertising and
7 marketing, I made a point to study advertising
8 procedures and strategies and things that are
9 primarily geared to just Internet.

10 MR. LEIFER: So you did Web site design,
11 instruction, and freeservers.com posted that site for
12 you?

13 THE WITNESS: Yes.

14 MR. LEIFER: Do you have an ISP service at
15 your home?

16 THE WITNESS: Yeah, I had AT&T Worldnet.

17 MR. LEIFER: Any others?

18 THE WITNESS: Yeah. I used one of the free
19 ones for a while. It was Netzero.

20 MR. LEIFER: Just to go back, when you say
21 you were involved or got information from brokers,
22 were you ever involved in selling notes with doctors
23 as far as plastic surgery, people trying to get loans
24 for that to have --

25 THE WITNESS: Yeah, I had people --

1 MR. LEIFER: Other than the computer side of
2 your business you're talking about, was there any
3 other --

4 THE WITNESS: I had people that saw what I
5 was doing. They saw this Web site and through one way
6 or another, they came across what I was doing, and
7 they wanted to basically find out what -- how do I do
8 what you're doing and apply that to a different
9 business. And I did have someone sometime back that
10 was a broker for factoring medical accounts
11 receivables. And we had talked about the possibility
12 of working together, but it never came to anything
13 serious.

14 Q. (BY MS. DeLaROSA) You indicated your
15 educational background was primarily art. What is
16 your educational background exactly?

17 A. I have a Bachelor of Science degree in art
18 and design from a small college north of Pittsburgh
19 called La Roche College.

20 Q. Have you ever taken any classes in investing
21 or investment?

22 A. No.

23 Q. How about any classes in accounting?

24 A. No.

25 Q. Have you ever been convicted of any crime

1 other than a minor traffic violation?

2 A. No.

3 Q. Have you ever been arrested?

4 A. Yes.

5 Q. Okay. For what?

6 A. After I lost the gallery and when things got
7 really bad in terms of just having money for
8 groceries, I was arrested for shoplifting at Safeway.

9 Q. When was that?

10 A. It was one of those things I try to wipe out.
11 Sometime in the summer of '99.

12 Q. Is that the only time?

13 A. Yes.

14 Well, no, actually, I met Dave through being
15 arrested. I was arrested for -- the charge was
16 failure to return rental property. And the case I
17 believe is going to be dismissed because it was kind
18 of a mistake. I have a hearing with an attorney in
19 Scottsdale in October.

20 Q. I am going to probably have to ask you to try
21 to speak up because that fan is horrible.

22 Have you ever been indicted for anything?

23 A. No.

24 Q. How about named as a defendant in a civil
25 lawsuit?

1 A. No.

2 Q. Have you ever filed bankruptcy?

3 A. Yes.

4 Q. When?

5 A. In 1996.

6 Q. And what chapter?

7 A. 13.

8 Q. Are you still in bankruptcy or has that

9 been --

10 A. No. I never followed through. All I did was

11 file the petition.

12 Q. So it was dismissed?

13 A. Yes.

14 Q. Have you ever been licensed or registered

15 anywhere to sell securities?

16 A. No.

17 Q. Besides a driver's license, do you have any

18 other licenses issued by any governmental entity?

19 A. No.

20 Q. Do you have a current bank account?

21 A. No, I don't.

22 Q. You mentioned that you did not have many

23 records responsive to our subpoena. You've given me a

24 couple things. Do you have anything further?

25 A. No.

1 Q. Did anyone else participate with you in
2 Intermerc or CashFlows?

3 A. No. No one -- I had conversations with
4 people about joining forces more or less or so to
5 speak to work together, but working capital was always
6 a problem, and I couldn't bring anything to the table
7 in terms of that situation, so I was a solo act. It
8 was just me.

9 Q. Now, did you file documents with any
10 government entity when you started Intermerc?

11 A. I just did a trade name filing.

12 Q. So no employees?

13 A. No.

14 Q. No independent contractors?

15 A. No.

16 Q. Now, when did you start CashFlows?

17 A. CashFlows really isn't a business. It was
18 just the name of this Web site.

19 Q. The name of the Web site. Was that through
20 Intermerc?

21 A. Yes.

22 Q. Now, what was your minimum investment for
23 these folks?

24 A. \$1,000.

25 Q. Did the investors have any role in generating

1 the notes or anything or were they just to provide
2 capital?

3 A. Yes, they just provided capital.

4 Q. How did you contact these people? Did they
5 all come in through your Web site or -- actually, you
6 indicated you didn't get many through your Web site,
7 so how did you contact these folks that you actually
8 got as investors?

9 A. It was primarily through the Internet. I did
10 last year run one newspaper ad in *The Arizona*
11 *Republic*, and that's actually how I came to be
12 acquainted with Christiaan Davidson. He was the only
13 investor through that.

14 Q. What information did you provide to these
15 folks?

16 A. I gave them an outline of the company. I
17 directed them to the main InterMarc Web site so they
18 could see what the business was all about and how it
19 worked. And that's basically -- I didn't have
20 anything else other than the sample of this agreement.

21 Q. Did you have any personal discussions with
22 them other than over the Internet, telephone or face
23 to face?

24 A. I'm not sure I follow the question.

25 Q. Before they invested, did you talk to them

1 like either on the telephone or face to face or was
2 your total contact by e-mail?

3 A. Primarily through e-mail and eventually at
4 some point in time phone calls. Christiaan Davidson
5 and I have met a couple of times in person. He at one
6 time had wanted to become a partner and work with me
7 on the basis of being more involved in not only
8 Intermerc but dealing with other types of cash flows.

9 MS. DeLaROSA: We need to take a break.

10 (Five-minute recess taken.)

11 (Exhibit No. 4 was marked for
12 identification.)

13 Q. (BY MS. DeLaROSA) Showing you what's been
14 marked as Exhibit 4. Let me let you look through
15 that, and then you can tell me whether that appears to
16 represent what was on the Intermerc Web site.

17 A. Yes.

18 Q. On about the third page down, it starts
19 talking about "Help people start their own home-based
20 business the Ez way. Get a free Intermerc EzPC
21 'Branchise' and create your own path to success."

22 How did you develop the concept for this?

23 A. This is what I was describing earlier. This
24 is a very typical affiliate program. And I just took
25 my cue from others that had pioneered the concept.

1 And as I said earlier, it's a very popular Internet
2 marketing strategy. I don't know how many millions of
3 Web sites there are now on the Internet, but it's a
4 method for multiply the exposure by developing this
5 affiliate program.

6 Q. How did you first learn about these affiliate
7 programs?

8 A. It was just -- in terms of Internet
9 marketing, it just became a very hot topic. If you
10 enlisted or visited any Web sites that were geared to
11 methods of strategies and so forth for Internet
12 marketing, affiliate programs were in the top five
13 recommended programs to implement to develop a
14 successful business.

15 Q. Okay. When did you put this Web site up?

16 A. I put this Web site up in I believe it was
17 around March of last year. Possibly April.

18 Q. Of 2000?

19 A. 2000, yes.

20 Q. And did you keep any record of hits on the
21 Web site?

22 A. I did have a counter installed which measured
23 the number of visits per day and supposedly offered a
24 device that would track where visitors were coming
25 from.

1 Q. And did you monitor that counter?

2 A. Yes, I did.

3 Q. Do you recall anything about the statistics
4 on the Web site?

5 A. I think that from the time I put this Web
6 site up until the time that it came down that -- the
7 Web site came down as a result of the hosting company
8 went out of business. I was out of the business by
9 then, so I didn't even pay any attention to it or I
10 didn't even seek to relocate the Web site to another
11 hosting service. But I think at one time I had
12 registered about 1,800 visits.

13 Q. Did you have a business plan for InterMarc, a
14 formal business plan?

15 A. Not really. I had kind of an outline
16 developed, but it wasn't a full business plan that
17 would consist of profit and loss projections and that
18 sort of thing.

19 Q. Did anybody ever mention to you that if you
20 were raising money from investors you might need to
21 register the investments?

22 A. One person did. And it was through -- I
23 don't know where the -- I don't know exactly how this
24 person found me, but it turned out -- he had to find
25 me somewhere through the Internet because I had not

1 done any print advertising or anything like that
2 geared towards this. But as it turned out, he was a
3 retired attorney who was living on McCormick Ranch in
4 Scottsdale. And I never got to know him. I only got
5 his first name. And we had kind of a casual
6 conversation. He e-mailed me first and when I found
7 out he was in Arizona, I provided him my phone number,
8 and he called me and I talked with him. And he made
9 comments about the fact that he was interested in
10 doing something with his money other than putting it
11 in the bank and having to live with the low interest
12 that banks were paying. And he didn't like the stock
13 market. And other plans that he'd looked at required
14 very high amounts of money, like \$50,000 minimums and
15 things like that.

16 So it was during that conversation, he said,
17 do you need a license or anything like that? And I
18 said, I attempted to check it out before, and I came
19 up that I haven't, but I'm not totally convinced that
20 I have the right information. So he said -- we talked
21 about how to research that. He gave me some tips.

22 And that's when I mentioned in another
23 communication that I had sent to the Division that I
24 had placed phone calls to both the Department of
25 Banking and -- Arizona Department of Banking and the

1 Corporation Commission. And apparently I didn't get
2 good information because they either didn't understand
3 what I was talking about, but I came away with the
4 conclusion that I wasn't required to be registered. I
5 didn't need a license. The overall impression I had
6 was that if I had been dealing with notes and
7 mortgages that were attached to real estate, then I
8 would need a license. But since these were not
9 attached to real estate, there was no requirement.

10 So it was a few days later, and Leo, this
11 retired attorney, called me. And I told him that I
12 had checked it out. And he made the comment that he
13 had checked it out, too. And he kind of confirmed
14 what I thought I had found out, which was that I
15 didn't need any type of licensing.

16 So at that point, he said, well, do you have
17 anything you could send me on what you're doing? So I
18 put together something. I mailed it to him. But it
19 came back to me in the mail. And that was my lost --
20 I had no way of getting in touch with him. So I
21 didn't have a phone number or anything like that to
22 work with him.

23 Q. How did you find out about the selling the
24 notes, the factoring kind of arrangement? How did you
25 first come in contact with that?

1 A. I started my effort to find financing for my
2 customers through loan and leasing companies. And
3 there were a number of different reasons why I
4 couldn't work with them. Again, one of the issues was
5 credit with some of the customers I had. I found out
6 in the case of leasing that most often they would only
7 work with established businesses, and you had to be
8 around for a year or two. I queried companies like
9 Household Finance and Transamerican Finance. And I
10 found out that they had requirements where you had to
11 have a physical storefront or something like that. Or
12 you might have needed to guarantee them a minimum
13 amount of business per month. Or you, in fact, had to
14 be in business for a certain period of time. And if
15 you weren't in business for a year or two, they
16 wouldn't consider you, things like that.

17 So the search for that I can't really isolate
18 a specific instance or a day or time where this came
19 across as a way to do it, but it was something that I
20 had learned about, and most of my education and what I
21 had done with it was through what I had learned on the
22 Internet, because there were a couple of Web sites
23 that were geared to matching buyers and sellers and
24 educating people and helping people start note buying
25 businesses and things like that. That's where I began

1 to understand a little bit about how it worked.

2 Q. Other than your Web site, did you post on any
3 news groups or anything like that?

4 A. Yes.

5 Q. Which news groups?

6 A. I don't remember the exact titles, but they
7 would have had -- the key words would have been like
8 invest or investments. To the best of my memory,
9 there might be more now because it's been a long time
10 since I've done that. But there were three or four of
11 those news groups that were specifically geared to
12 announcing and exchanging investment information.

13 Q. Now, the CashFlows Web site talks about a 30
14 percent return. How were you going to generate that
15 kind of return for these folks?

16 A. At that point I would have had a high enough
17 profit margin where I could have done that. I was
18 looking at my cost of goods on a transaction basis of
19 being around 1,200, maybe as high as 1,500. And the
20 packages were going to be sold at around \$5,000. So
21 there was considerable profit in that. And even when
22 I discounted the notes at some point, there still
23 would have been enough to cover the 30 percent. And
24 as far as I could see in that business in general that
25 that's not an unusual return based on an outlandish or

1 farfetched promise. The way a lot of notes are
2 purchased, they're purchased sometimes at a 50 percent
3 face value. It fit in line.

4 Q. I'm looking on this InterMarc Web site at
5 these systems. It says that InterMarc was an
6 authorized Toshiba dealership.

7 A. Right.

8 Q. So you had an agreement with Toshiba where
9 you were going to purchase those things?

10 A. Yes.

11 MR. LEIFER: Does it say wholesaler?

12 MS. DeLaROSA: It says he's an authorized
13 retailer.

14 Q. (BY MS. DeLaROSA) So you purchased them
15 wholesale, you sold them retail or you intended to for
16 whatever the market would bear?

17 A. That's correct.

18 Q. But you never sold any of them?

19 A. No. And there are other people, other firms
20 who have a very similar package that's offered. I
21 wasn't unique or alone in that type of business.
22 There are other companies that do the same thing. I
23 felt that the package that I offered was the most
24 extensive in terms of enabling someone to establish a
25 viable business because we went far beyond the

1 hardware package, a software package and, as I said
2 earlier, the consulting aspect of the program, as
3 well. And I believe from what I know, I was probably
4 the only one offering this extensive of a package as I
5 said, but there are other computer sellers out there
6 that are doing pretty much the exact same thing.

7 Q. Now, I'm looking here seeing something called
8 Soho College.

9 A. Right.

10 Q. Was that something you were operating or was
11 that an affiliate or --

12 A. That was a vendor that I was affiliated with.
13 One of the software programs that would come with our
14 package was offered through that company. And they
15 had a program where they award what they call a
16 scholarship monthly to someone using their software.
17 And it was a software program that was a program that
18 enabled people to develop an e-commerce type of
19 business that consisted of a Web site design program,
20 a program to facilitate credit card transactions.

21 And then if I remember correctly, they also
22 had like what a lot of people refer to as a mall where
23 all of their customers were in one place and they had
24 a directory developed. So if someone were selling
25 antiques or hand-made crafts, they were in that

1 category.

2 Q. Who did you work with at Soho?

3 A. There was a fellow who was involved with the
4 affiliate program. And his name -- I never had any
5 conversations with him. I exchanged a couple of
6 e-mails with him, but I remember his first name was
7 Scott, but I don't remember his last name.

8 Q. Do you still have the computer you were
9 utilizing for this operation?

10 A. Yes.

11 Q. Would you be willing to give us access to
12 that computer?

13 A. Sure.

14 MS. DeLaROSA: We need to make arrangements
15 for that.

16 MR. LEIFER: Do you have a current -- are you
17 online currently?

18 THE WITNESS: Yes.

19 MR. LEIFER: Who is your service provider?

20 THE WITNESS: Extreme Internet.

21 MR. LEIFER: Is it a dial-up or is it --

22 THE WITNESS: It's a dial-up.

23 Q. (BY MS. DeLaROSA) I'm noticing on the front
24 page of this exhibit that's your Web site there's a
25 whole bunch of banners. Were these all affiliates of

1 some sort or people who were paying you for
2 advertising or where did these banners originate?

3 A. Well, Beatnik was a -- I guess you call them
4 a service provider. They enabled you to introduce
5 sound to your Web site. And for someone to be able to
6 hear the sound on your Web site, they had to download
7 their software.

8 Bravenet was another type of company that
9 provided master services. They had banner exchange
10 programs, form -- what they call CGI scripts, which
11 basically enable you to have a form on your Web site
12 that people can fill out and submit.

13 Ethics in Business, it was an online
14 affiliation of Web sites where you subscribe to a code
15 of ethics that was developed by the Direct Selling
16 Association.

17 Q. And you were somehow affiliated with them,
18 with Ethics in Business?

19 A. Yeah, they had different level of
20 participation. I was in the lowest level. It was
21 free participation. But they had paid levels where
22 you could join at different like silver level and gold
23 level and things like that. And depending on what
24 level, you would get marketing assistance and
25 different types of help that would aid you in your

1 direct selling efforts.

2 MR. LEIFER: Do you have a current e-mail
3 address right now?

4 THE WITNESS: Yes. Intermarc@ureach.com.

5 MR. LEIFER: That's Web-based e-mails. Is it
6 Extreme Internet that you have an e-mail address with
7 them?

8 THE WITNESS: I have an ISP providing e-mail
9 address available, but I don't use it. I've never set
10 up the program.

11 MR. LEIFER: And that's through Extreme
12 Internet?

13 THE WITNESS: Extreme Internet.

14 MR. LEIFER: And then are your Web sites
15 running currently or are you still paying for the
16 hosting of them?

17 THE WITNESS: No, I don't have any Web sites.

18 Q. (BY MS. DeLaROSA) And CashFlows is down?

19 A. Yes.

20 Q. Are you familiar with a gentleman by the name
21 of Ted Burgis?

22 A. Yes.

23 Q. Who is he?

24 A. Ted is a fellow I met on the Internet a
25 couple years ago. And we got involved together in an

1 investment program that was tied to Euro dollars.

2 Q. And what type of an investment program?

3 Where was it operated from?

4 A. It was based through a company that operated
5 in Canada and Europe, and it involved the introduction
6 of the Euro into Europe and the buying and selling of
7 Euro dollars through banks.

8 Q. What was the name of the company?

9 A. Charter Oak Asset Management.

10 Q. Are you still involved with Charter Oak?

11 A. No, I'm not.

12 Q. What was your level of involvement with it?

13 A. They were looking for someone to represent
14 their company in the United States. And I wasn't
15 equipped to do that, but I developed a Web site for
16 them.

17 Q. So basically, your involvement was limited to
18 Web development?

19 A. Right.

20 Q. You weren't involved in creating a market for
21 the investments or anything like that?

22 A. Only in the sense that I was the contact --
23 my contact information was on the Web site. So I
24 would refer people that were interested in the program
25 to the people that were running the actual program.

1 Q. So people were kind of funneled through you?

2 A. Yes.

3 Q. Did you receive compensation for that?

4 A. I would have received a commission, yes.

5 Q. Did you receive any commissions?

6 A. Not directly from Charter Oak, no.

7 Q. Who did you receive them from?

8 A. What we did -- they changed the program, and
9 they made it a minimum investment, changed from when I
10 first started working with them. So what we did was
11 we started an investment club. And we were going to
12 pool money together and invest as units so that we
13 could invest on the level of their minimum
14 requirements.

15 Q. What was the minimum?

16 A. It was \$10,000.

17 Q. And did people get involved in this
18 investment club?

19 A. Ted did.

20 Q. Do you know whether anyone else did, also?

21 A. No.

22 Q. And did you receive any commissions with
23 respect to the investment club?

24 A. No.

25 Q. Are you still working with Ted Burgis on

1 anything?

2 A. I communicate with him, and we're -- he's
3 another person I'll be needing to get money back to
4 because the investment -- we didn't make the minimum
5 investment, and I have to return his money to him.

6 Q. So you were handling the money for the
7 investment club?

8 A. Right.

9 MR. LEIFER: Was he an investor in CashFlows
10 or Intermarc?

11 THE WITNESS: No.

12 MR. LEIFER: He never invested with them?

13 THE WITNESS: No.

14 Q. (BY MS. DeLaROSA) Now, you indicated there
15 was a Hector Garza. Are you familiar with a Hector
16 Ruiz?

17 A. It's such a fairly common Hispanic name. I
18 kind of say yes, it's a familiar name to me, but I
19 don't to the best of my knowledge have any dealings
20 with him.

21 MS. DeLaROSA: Tag.

22 MR. LEIFER: Can we go off the record and
23 talk for a second.

24 MS. DeLaROSA: Let's go off the record.

25 (15-minute recess taken.)

1 (Exhibit No. 5 was marked for
2 identification.)

3

4

EXAMINATION

5

6 Q. (BY MR. LEIFER) We obtained some of these
7 e-mails, and maybe you can just start and see if --
8 are these from you?

9 A. Yes. The first one is.

10 Q. Go to page -- not really in order of any
11 page, but here you said on the record that Ted Burgis
12 is not an investor. If you want to read this
13 paragraph right here.

14 A. Okay.

15 Q. First, do you recognize this as an e-mail
16 that you sent?

17 A. Yes, I do.

18 Q. And again, you said on the record that Ted
19 Burgis wasn't an investor. You were involved in
20 another business deal with him. And I believe the
21 e-mail says that you asked about other investors.
22 Please note that we agree to protect our investors'
23 privacy. And Ted Burgis is listed as an investor on
24 this e-mail.

25 A. Yes. I remember this e-mail at this point,

1 and I know Hector Ruiz. Both of these people were --
2 at that point I thought that Ted was going to come
3 into our program, but he didn't. And Hector Ruiz was
4 someone that went as far as saying that he had placed
5 the check in the mail, but it never showed up. So it
6 just went by the wayside. And I anticipated that they
7 would be in it. I thought -- I don't remember the
8 individual who I sent this to, but I anticipated at
9 the time I started to do some due diligence that both
10 of these people would be in the program, but they were
11 not.

12 Q. It shows that Hector Ruiz in that e-mail,
13 he's from San Antonio. Is he related to Hector Garza?

14 A. No.

15 Q. And he's from San Antonio?

16 A. Right.

17 Q. It shows you have an e-mail address for
18 Mr. Ruiz of otrtrucker@GO.com?

19 A. Right.

20 Q. On the end of your e-mails shows GO.com
21 e-mail. So was Hector a business associate or
22 involved in InterMarc in any way or had anything to do
23 with the set-up of the Web site?

24 A. No. He was just someone that had seen one of
25 my postings and that we had some communication about

1 investing in the program, but he was not affiliated
2 and wasn't a partner or someone that was selling the
3 services or anything like that.

4 Q. Or was Christiaan Davidson?

5 A. Well, Christiaan had talked about wanting to
6 get involved on that basis, and at that point in time
7 we were looking at doing a number of different types
8 of business activities that would -- that were
9 somewhat related to buying and selling different types
10 of cash flows. Christiaan had a keen interest in
11 that, and he wanted to learn about it. He wanted to
12 get more involved with it. He runs an assisted living
13 home in Tucson.

14 Q. What is an assisted living home?

15 A. It's a -- like a nursing home, but it's for
16 people who don't require like 24-hour real intensive
17 care. I'm not an expert on --

18 MS. DeLaROSA: Like for handicapped people
19 or --

20 THE WITNESS: I think it's people who need
21 people to cook for them and need some supervision.

22 Q. (BY MR. LEIFER) Do you know how in charge
23 of -- what are his duties? Is he in charge of --

24 A. He owns the business.

25 Q. He owns the business?

1 A. Yeah. And the way he -- what I've been told
2 by him is that his wife, who I believe is a registered
3 nurse, more or less the business had got to a point
4 where she was basically running the business. And he
5 had a lot of time to do other things, and this was
6 something that was of great interest to him. So he
7 wanted to get more involved with it and learn more
8 about it and work basically like a partner. Not in
9 the sense that we would have like a formal business
10 arrangement where we would have a company that we
11 owned and had stock in it or had a common bank
12 account. It was just more of a partnering efforts.

13 MS. DeLaROSA: Speaking of wives, does your
14 wife have a bank account?

15 THE WITNESS: No.

16 MS. DeLaROSA: Does she work?

17 THE WITNESS: She just left a job about two
18 weeks ago. Her hours were cut dramatically, so she's
19 looking for a new job.

20 MS. DeLaROSA: Where was she working?

21 THE WITNESS: She was working for a retail
22 store as a part-time sales clerk.

23 MS. DeLaROSA: Dave, I did speak with
24 Mr. Fanzo. He has agreed to bring in his computer
25 tomorrow, although he expressed that he wished he

1 didn't have to leave it for a full two weeks.

2 MR. LEIFER: I'm saying a two-week period.

3 If I can get it done, I'll get it back to you earlier
4 than that.

5 Q. (BY MR. LEIFER) With Christiaan and his --
6 do you know what -- and that assisted home, do you
7 know how involved he is with the clients? Are they
8 living at the home? How involved is he with these
9 people that he is assisting in whatever way he is at
10 his home?

11 A. That, I really couldn't say much about. I
12 mean, they're all elderly people, but I don't know --
13 I don't know that much about that type of business, so
14 I can't really talk intelligently about it.

15 Q. Do you have an address for him or e-mail for
16 him or contact information for him?

17 A. I don't have it with me. I know it's on San
18 Nicolas Drive in Tucson. I don't remember the house
19 number. But that's basically where he's at, and
20 that's where the home is at. They live within the
21 home because they provide 24-hour/seven-day-a-week
22 care.

23 Q. And like with Ted Burgis, you stated that you
24 came in contact with him over the Internet. How
25 exactly -- did he just hit on your Web site and e-mail

1 you or did you find him through a news group, through
2 a bulletin board?

3 A. Those are tough questions to ask because I
4 sometimes would not get a sense of how people found
5 me. It could have been through a news group. It
6 could have been through a classified ad that I had on
7 the Internet because there are places to place
8 classified ads.

9 Q. Where did you place classified ads on the
10 Internet?

11 A. I wish I could -- I can't think of any of the
12 Web site names. I'm going back like almost a year
13 ago.

14 Q. Do you currently go on any news groups today?

15 A. No.

16 Q. No bulletin boards or send any e-mails
17 soliciting any type of business venture or anything
18 like that?

19 A. No, I don't. First of all, I don't have a
20 news group access anymore. You have to have a reader
21 or something like that. I don't have one of those, so
22 I don't.

23 Q. And you have no Web sites, no postings you
24 post on the Internet or anything like that?

25 A. No. The only Web site I have now is one for

1 the decorative painting business. And I've done
2 postings that interior decorators and those kinds of
3 people go and look at. That's the only thing I'm
4 involved with.

5 MR. LEIFER: Okay.

6 MS. DeLaROSA: With that, I am temporarily
7 adjourning the session today with the obligation to
8 give further testimony as may be required under the
9 subpoena served on you. You will remain subject to
10 recall with reasonable notice.

11 Off the record.

12 (The examination under oath concluded at
13 11:50 a.m.)

14

15

16

17

18

19

20

21

22

23

24

25

1 STATE OF ARIZONA)
) ss.
2 COUNTY OF MARICOPA)

3 BE IT KNOWN that the foregoing examination
4 under oath was taken by me; that I was then and there
5 a Notary Public in and for the County of Maricopa,
6 State of Arizona, and by virtue thereof authorized to
7 administer an oath; that the witness, before
8 testifying, was duly sworn by me to testify to the
9 whole truth and nothing but the truth; that the
10 questions propounded by counsel and the answers of the
11 witness thereto were taken down by me in shorthand and
12 thereafter transcribed into typewriting under my
13 direction, and that the foregoing pages contain a
14 full, true and accurate transcript of all proceedings
15 and testimony had and adduced upon the taking of said
16 examination under oath all to the best of my skill and
17 ability.

18 I FURTHER CERTIFY that I am not related to
19 nor employed by any of the parties hereto and have no
20 interest in the outcome.

21 DATED at Phoenix, Arizona, this 27th day of
22 September, 2001.

23

24

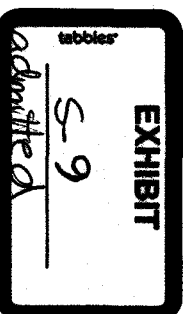

Carolyn T. Sullivan, RPR
Notary Public

25 My Commission Expires:
June 6, 2003

CASE S-034448A-01-0000

CASE NAME: Ronald Fanzo dba Intermerc/CashFlows

Name	Street Address	City	State	Zip	Phone	Inv. Date	Amount	Paid?
Scott Brown	840 8th Avenue	Sacramento	CA	95818			\$ 1,300.00	No
Bradley Wargin	195 Azalea Lane	Frankfort	IL	60423			\$ 2,000.00	No
Mark Presnielo	1563 Quaker Lane	Prospect Heights	IL	60070			\$ 1,000.00	No
Christiaan Davidson	1362 W San Nicolas Dr	Tucson	AZ	85704			\$ 4,250.00	No
Hector Garza	2985 Ontario Drive	Eagle Pass	TX				\$ 4,500.00	Yes
(Hector Garza)							\$ 4,500.00	
TOTAL							\$ 8,550.00	



I offer the following testimony or statement as a preface to the meeting of September 26, 2001 at the Securities Division of the Arizona Corporation Commission.

This information is provided on a "best of my recollection" basis. However, much, if not all of the following can be corroborated by Mr. Stan Tadlock of the A.C.C. Securities Division. Mr. Tadlock eventually became involved in the situation I'm about to describe as an investigator. I will elaborate on this matter at a later point in this narrative.

In the approximate time frame of March 1997, I entered into a business partnership with an individual named Michael Fromkin of Fountain Hills and Scottsdale, Arizona. Mr. Fromkin and I opened an art gallery which was located at 7136 E. Main Street in Scottsdale, 85251, and was known as The Fanzo Fromkin Gallery. The partnership and business operation were formalized by incorporation in Arizona under the name Fanzo Galleries, Inc. I was the President of the Corporation. Mr. Fromkin was the Vice President, Secretary-Treasurer.

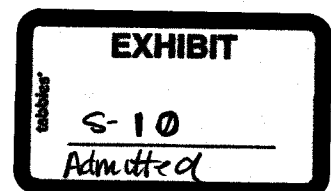
By education and professional work experience, I am a trained artist (painter/illustrator). Part of the agreement which formulated our partnership was based on my managing and operating the gallery. And, while the gallery exhibited artwork by several artists during the course of its existence, its primary product was my work and paintings.

Mr. Fromkin's contribution to the business was providing funding and working capital. As a condition to this infusion of capital, Mr. Fromkin retained financial management of the business... all operating expenses were provided by Mr. Fromkin; all income was collected and managed by Mr. Fromkin.

My costs of living were covered by a weekly draw paid by Mr. Fromkin through the corporation. Mr. Fromkin established two business entities which were used to provide capital to his many and varied business interests. Western States Capital, Inc. and Fromkin Investments, Inc. provided loans to Fanzo Galleries, Inc. to sustain its operation, as well as to more than twenty other business operations in which Mr. Fromkin maintained an equity interest.

For the sake of brevity, I will summarize the two, or two and a half-year existence of the gallery as a business venture which could reasonably be characterized as normal or typical; insofar as the challenges and problems experienced, and which any new business might expect to encounter. I was eternally optimistic about the potential success of the business. And, I initially felt deep gratitude to Mr. Fromkin for believing in my talent and skill by essentially "bankrolling" my bid to find success as an artist. I viewed this relationship as a rare and unique opportunity which would be life changing in a very positive way.

However, many of the plans and promises offered by Mr. Fromkin would ultimately not be kept. In the early stages of the arrangement, this was not clearly evident. I trusted Mr. Fromkin's judgment and respected his decisiveness and quickness to act. I felt these were admirable qualities to find in a partner and businessman.



By all visible accounts, Mr. Fromkin was wealthy and successful, and enjoyed a prominent position in the business and philanthropic communities by being a savvy entrepreneur. As far as I was concerned, he knew how to be successful. I was none of these things, and figured there was something to be learned from him.

But, as time went on many things changed. One of the most obvious and disappointing developments was his failure to support the \$50,000 advertising budget which was a planned expenditure during the latter half of the first year. In fact, no money at all was spent on targeted media advertising. A number of other facets of our business plan were ignored, and as more time passed, I began to realize this was not the "heaven sent" opportunity I had believed it was at one time. Nonetheless, I felt an obligation to continue on a best effort basis to do what I could to make a success of the business. After all, it was my big chance.

Through most of the time I operated the gallery, I never worked less than six days per week, and most often seven. I took no vacations or time off. And, made sure the gallery was open every day that it made sense to be open. Sometime toward the end of the first year, Mr. Fromkin informed me that he would no longer be able to pay my full \$600 per week draw. He needed to cut it in half and keep it there until the business had reached a higher level of profitability. I continued my end of the agreement as far as managing the day to day operation of the gallery. And, I took on freelance work whenever possible as a means of trying to replace the income I had lost.

However, sometime during the second year, I began to experience financial difficulties due to the reduced income. I decided to approach Mr. Fromkin and ask for a meeting to resolve some of the problems we were experiencing. During this meeting, he informed me he wanted to sell his half of the gallery. He went on to state that he would entertain my buyout of his half if I could find a lender or another partner. He felt he was entitled to \$84,000 to retire his interest. He would also seek a buyer who may be interested in buying the gallery outright.

We both attempted to bring a new interest into the business through individual and separate efforts. This activity continued over a 2 or 3 month period. In the meantime, I was continuing to slide deeper into financial distress. Finally, my mounting financial problems led me to offer selling my half of the gallery to Mr. Fromkin at a drastically reduced value. I wanted to at least be able to walk away from the experience saving what I had. I don't remember the price I was willing to sell for, but "pennies on the dollar" places the price range into perspective... and it was well under \$10,000.

Mr. Fromkin met my offer by stating that he didn't wish to take advantage of me. Instead, he suggested that I take some time off, and to meet with him again after I took a 3-day vacation. It was his notion that I needed to bury some of the stress by taking a few days off and getting out of the gallery. Upon my return, we would meet, and decide on a way to resolve the problem.

Instead of looking to the promise of a mutually-beneficial solution on my return, I came back from my time off to find that I had been locked out of the gallery. Additionally, our bank account was drained. The gallery's inventory had been looted. My work, which consisted of a collection of paintings done over two years, and which had a conservative retail value of \$80,000, was gone.

I was locked out, and out of business with only \$156 to my name. This proved to be a devastating turn of events. In short time, and after just a few weeks, I lost my home, car and most everything else I had which was of any value. Pawn shops throughout the East valley have items I once owned. I faced the very real prospect of being homeless, and had to rely on the generosity of friends and family for groceries and simple everyday living needs.

One friend offered a consultation with his lawyer to explore what steps I might take to try to reclaim some of what I had lost. Attorney John Karow advised me that however devastating and grave the situation was, I was best advised to put the experience behind me; to try to get my feet back on the ground; and to move forward as best as possible. He counseled me that since I had no resources available to engage Mr. Fromkin in what would be a lengthy and expensive legal pursuit, that this was really my only option.

I mentioned earlier that Stan Tadlock of the Securities Division had interviewed me on the subject of Mr. Fromkin. This is an experience that I share with Mr. Karow; as he was representing another person who had been victimized by Mr. Fromkin. I also sought to publicize Mr. Fromkin's business dealings and his dubious association with the Scottsdale Center for the Arts. It was these efforts, and a referral from Mr. Karow which led to my interview with Mr. Tadlock. While I have had no communication with Mr. Tadlock in a very long time, it is my understanding that his investigation of Mr. Fromkin continues and is ongoing.

In following Mr. Karow's advice, I came to be in a position where I needed to find work immediately, and work that paid something better than the minimum wage. I really didn't have the luxury of sending out resumes, and waiting through the typical and lengthy weeding out processes which normally comprise most employers' hiring decisions.

Instead, I worked through a series of "commission only" quick-hire sales positions which all too often were advertised to be more lucrative, credible and viable than they actually were. None of these positions really helped my situation. Some of them actually set me back further in the sense that debts grew higher. I was continually in the precarious position of not having a margin of error for the many decisions I had to make about how I would find and secure a predictable and dependable source of income.

I persevered, but despite my best efforts I couldn't find a steady job with reasonable pay. I was told that a male who was nearly 50 was not going to be viewed in most instances as a desirable employee prospect. I had also been self-employed for most of the past 12 years; another point which was not regarded as a highly desirable trait by many employers.

Consequently, it seemed to be that if I were to survive the dilemma created by the gallery incident, I would have to create my own opportunity. Over a period of time, the enterprise which I sought to build came to be called Intermarc Marketing. I started this business because I didn't see any alternatives. The options that I had explored and trusted to be viable were mainly centered around continuing to find reliable employment as a commissioned sales person. These options simply hadn't worked, and I was continuing to pay a heavy price for my failure to find gainful employment. I could seldom pay my rent on time, and constantly lived under the threat of having utilities disconnected. For the most part, this has been my predicament and way of life for the past two years.

It is now obvious that some of the strategies I employed to build this business have led to the "Cease and Desist" order and to this meeting. In facing this consequence, I would prefer to subscribe to the course suggested by John Karow when he advised putting the unpleasant issues behind, and moving forward in the best way possible. It would be my choice to have the Securities Division clearly define and reveal what I did which was in violation of securities laws and to direct what I must do to rectify the situation. I will accept their opinions or wishes without contest. I do not wish to dwell, or be forced to live again, or to revisit what I've done that the Securities Division finds objectionable or illegal in view of its regulations. It's my desire to move past this as quickly as possible so that I can move forward with my life.

I should add that experiences and events which surround the gallery incident, and the ensuing consequences which were suffered as a result of being left virtually penniless, and in a position of having no choice but to start life all over again under very undesirable conditions, have made me choose to consciously or unconsciously block out many specific events, dates and other facts which explain and offer further insight into some of the experiences on which I've touched. I am firmly convinced that my own emotional well-being, health, sanity and state-of mind has been best served by succumbing to the seemingly natural inclination of wiping away memory of events and situations which would otherwise be traumatically unforgettable. Furthermore, in coping with problems which follow my attempts to regain and reclaim some semblance of a normal life, I have found it useful, helpful and necessary to put that which proves to be counter productive and inefficient out of mind, and to move past efforts and experiences which belabor and prevent me from moving toward a secure and credible future which I continue to pursue.

Investors

Scott Brown
840 8th Avenue
Sacramento, CA 95818

\$1,300.00

Bradley Wargin
195 Azalea Road
Frankfort, IL 60423

\$2,000.00

Mark Presnielo
1563 Quaker Lane
Prospect Heights, IL 60070

\$1,000.00